

# JM

# Modern Slavery and Human Trafficking Statement

Johnson Matthey Plc Financial Year 2023/24





**Our goal: Upholding human rights and high ethical standards**

This is Johnson Matthey’s ninth Modern Slavery Statement made under Section 54 of the Modern Slavery Act 2015<sup>1</sup> and sets out the steps taken by Johnson Matthey Plc and its group companies<sup>2</sup> (**Johnson Matthey** or **JM**) during the financial year 2023/24 to prevent modern slavery and human trafficking in our operations and value chain.

At JM, we support the principles of the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Core Conventions. We are aligned with key frameworks that define human rights principles for businesses, including UN Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Our approach to human rights (including modern slavery) considers our entire value chain, including our own operations, suppliers, partners and customers. We have set ourselves a commitment to assess all our value chain for human rights risks by 2030 and identify remedial actions where appropriate.

This year noted progress includes setting out detailed human rights expectations into our updated Supplier Code of Conduct as well as our standard Terms and Conditions of Purchase and template purchasing agreements. These require our suppliers to not only comply with all applicable human rights laws, but also to put robust internal procedures in place to mitigate and remediate human rights risks. These obligations apply both to our direct suppliers, existing and new, as well as their supply chain and subcontractors.

 [See our refreshed Supplier Code of Conduct, matthey.com/supplier-code](https://matthey.com/supplier-code)

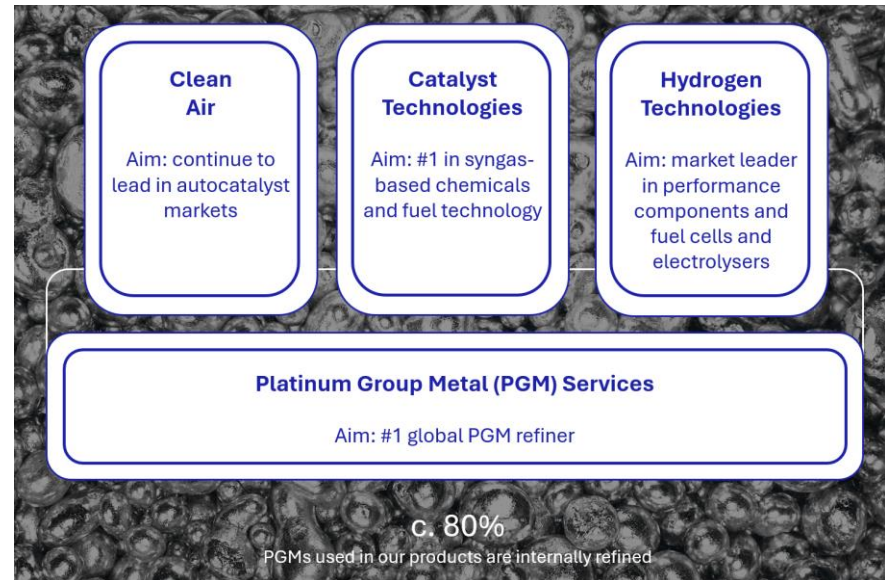
**Our structure, business, and value chain**

**Our business structure and strategy**

<sup>1</sup> This Modern Slavery Statement is also made in accordance with the California Transparency Act 2012 and the Australian Modern Slavery Act 2018.

At JM our strategy is clear: we are a sustainable technology company that plays to win with leading positions in key markets that depend on innovation. Our strategy is underpinned by our values, which provide the foundation for everything we do. Our five values include: Protecting people and the Planet, Acting with Integrity, Innovating and Improving, Working Together and Owning what we do.

We serve our global customer base through our four businesses: Clean Air, Catalyst Technologies and Hydrogen Technologies - all built on our foundational Platinum Group Metal (**PGM**) Services business.



**Clean Air** Designs and manufactures emission control catalysts to reduce harmful pollutants, e.g. NOx, from vehicle exhausts and a range of stationary sources.

<sup>2</sup> This Modern Slavery Statement is made on behalf of Johnson Matthey Plc and its group companies (including, but not limited to, Johnson Matthey Davy Technologies Limited, Johnson Matthey Hydrogen Technologies Limited and Johnson Matthey Precious Metals Limited).





**PGM Services** - Supports customers with short and long-term metal planning and supply management; refines and recycles both used and mined PGMs; and processes metal into more complex, value-added products for a vast array of uses

**Catalyst Technologies** - Designs and licenses process technology, and designs and manufactures catalysts for a wide range of processes used in the energy and chemicals industries to create products used in transportation fuels, fertilisers, wood products, paints, coatings and polymers

**Hydrogen Technologies** - Designs and manufactures the key performance-defining components (catalyst-coated membranes) used at the heart of fuel cells and electrolyzers for the creation of electrolytic (green) hydrogen.

These businesses have common customers and partners, share technology capabilities and share a PGM ecosystem that enables dependable supply and circularity. JM operates in over 30 countries worldwide with an employee workforce of c.11,600 employees.

### Our value chain

We are a multinational company with a global, multi-tiered supply chain. We rely on our suppliers to provide raw materials (including platinum group metals (PGMs)), as well as goods and services ranging from equipment to utilities and transport. Every year we work with thousands of suppliers and in 23/24 we spent £3 billion with them (excl. PGMs).

As a values-driven organisation, we work closely with our value chain to uphold human rights and maintain the highest standards in procurement.

We work closely and collaboratively with our customers to provide open and transparent disclosure. We see our customers as valued partners and we contribute to their sustainability goals by actively engaging and providing data and information about climate-related, human rights, diversity and governance topics. Our commitment extends to informing them about our sustainable practices in both our products and operations, ensuring transparency in all sustainability developments concerning JM. Moving forward, our dedication remains unwavering as we strive to Modern Slavery Statement 2023/24

enhance our engagement with customers, empowering them to make informed choices that play a crucial role in shaping a more sustainable and resilient future.

### What we expect from our suppliers

We source raw materials from around the world, some of which are only available from a small number of countries. It is essential we understand and manage the associated supply chain risks.



This year we included detailed human rights expectations into our updated Supplier Code of Conduct as well as our standard Terms and Conditions of Purchase and template purchasing agreements. These require our suppliers to not only comply with all applicable human rights laws, but also to put robust internal procedures in place to mitigate and remediate human rights risks. These obligations apply both to our direct suppliers, existing and new, as well as their supply chain and subcontractors.



We have set ourselves a commitment to assess all our value chain for human rights risks by 2030 and identify remedial actions where appropriate. Building on the top 100 suppliers we assessed during 23/24, this year we initiated a human rights risk assessment for suppliers accounting for 85% of our annual procurement spend (excluding PGMs). Utilising the EcoVadis IQ Module, we rated 529 suppliers, with 5% identified as (very) high risk. We are working with these suppliers to address these risks effectively. Where required, mitigations and remedial actions have been put in place and continued monitoring has been implemented.

In April 2023 we joined Together for Sustainability (TFS). TFS is comprised of chemical procurement specialists who are dedicated to building sustainable chemical supply chains, ensuring compliance with regulatory requirements, and responding to societal expectations and needs. In 23/24 we collaborated with TFS on various Human Rights groups and initiatives. For example, after identifying our high-risk suppliers, we are auditing these as part of TFS requirements. Our continued involvement with TFS demonstrates our commitment to improving sustainability within our own and our suppliers' operations – ensuring that human rights are upheld throughout the entirety of our value chain.

### **We actively engage and support our suppliers on their sustainability journey**

In our 22/23 Annual Report we reported the case of a supplier in a higher risk region that we were working with to improve their EcoVadis assessment, following a human rights assessment.

As a result, the supplier has this year achieved a silver medal for their commitment to sustainable and responsible business practices.

In 2023/24 we developed responsible sourcing principles. Led by our commitment to creating a positive impact through our operations, the responsible sourcing principles, which are also included in our Supplier Code of Conduct, embody our dedication to ethical and environmentally conscious practices across our value chain.

 For more details see our [Sustainability Performance Databook](https://matthey.com/sustainability-databook), [matthey.com/sustainability-databook](https://matthey.com/sustainability-databook)

### **Policies**

We have several group policies and procedures that reinforce our commitment to protecting human rights and reiterate our focus on the elimination of modern slavery and human trafficking:

- **Human Rights Policy** includes our commitment to upholding human rights. It highlights a core group of rights we believe we impact the most as an organisation and we have the potential to positively address.

 Please read our [Human Rights policy](https://matthey.com/human-rights-policy) for more information, [matthey.com/human-rights-policy](https://matthey.com/human-rights-policy)

- **Code of Ethics** - Our new, refreshed and simplified digital Code of Ethics, called 'Doing the Right Thing. Together.' is a practical guide for us all at JM to use. It provides guidance around four key areas:
  - What doing the right thing means and our Code commitments
  - Making good, ethical decisions
  - Asking for help when you are unsure what to do; and
  - How to speak up with serious concerns

Included within is a new decision-making tool, which assists anyone facing an ethical dilemma or difficult decision. Our global network of ethics ambassadors is called out as an on-site resource should employees have ethical queries or concerns. And we have included a people manager section, highlighting the role and responsibilities line managers have in promoting an ethical culture within their teams across JM.

Our Code of Ethics specifies that under our commitments, we at JM uphold human rights.




 Please read our Code of Ethics for more information, [matthey.com/en/about-us/governance/code-of-ethics](https://matthey.com/en/about-us/governance/code-of-ethics)

- **Supplier Code of Conduct** provides the standards we expect all our suppliers to share with us and includes a section covering modern slavery, responsible sourcing and transparent supply chain management

 See our Supplier Code of Conduct for more information, [matthey.com/supplier-code](https://matthey.com/supplier-code)

- **Conflict Minerals Policy and Platinum and Palladium Supply Chain Policy Statement** reference our commitment to responsible sourcing, and both are aligned to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas.

 More information on both these can be found here, [matthey.com/en/enhancing-life/sustainability-governance](https://matthey.com/en/enhancing-life/sustainability-governance)

- **Doing Business in Higher Risk Jurisdictions Procedure (HRJ Procedure)** Some of our customers, suppliers and other partners are based in parts of the world that represent a higher legal or reputational risk (including modern slavery and other human rights abuses). Our HRJ Procedure helps to manage these risks using enhanced due diligence when appropriate.

### Our Speak Up Culture

We promote a '**speak up**' culture encouraging everyone to speak up when they have a concern or are unsure about something. Our independent Speak Up helpline is available for anyone wishing to raise a concern.

We analyse Speak Up metrics quarterly to identify key themes and significant trends and share these with the Societal Value Committee and relevant senior leaders.

It is essential our employees, customers, suppliers, and other stakeholders feel they can talk freely when they have an ethical concern. We have various channels for them to do this including our independent Speak Up line (accessed online or via telephone). This helpline allows individuals, where local law permits, to remain anonymous. Our Speak Up Policy notes human rights concerns can be raised through Speak Up.

 See our Speak Up Policy, [matthey.com/speak-up-policy](https://matthey.com/speak-up-policy)

During 2023/24, 138 speak ups were received, 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. This year, we launched a Speak Up QR code to further promote easier access to our Speak Up Line, building on our intention to further promote our Speak Up Line with third parties connected to JM, and to ensure our Speak Up mechanism is fully aligned to Principle 31 of the UN Guiding Principles on Business and Human Rights.

During the financial year we did not receive any speak ups directly related to modern slavery, but we did receive 51 speak ups in relation to Employee Rights, including employee grievances, labour rights and working conditions.

 For details on our Speak Up reports see our Sustainability Performance Handbook, [matthey.com/sustainability-databook](https://matthey.com/sustainability-databook)

### Promoting a safe, diverse and equitable society

#### Freedom of association

We respect and uphold the freedom of association and the effective recognition of the right to collective bargaining. In 2023/24 a quarter of our people globally were covered by collective bargaining agreements and/or represented by works councils or trade unions.

Regular engagement is undertaken directly with our employee representative groups on a range of topics including freedom of association and collective bargaining. These groups include recognised trade unions, or elected employee representative groups where trade unions are not present.



The engagement is conducted on a regular and routine basis to ensure employee representative groups are well informed across a range of business and people-related topics. Several of our transformation initiatives have been guided and subject to thorough collaboration and consultation with employee representatives to ensure all relevant aspects are covered and managed.

Union representation, % of global headcount

As of 31<sup>st</sup> March 2024

|                           |            |
|---------------------------|------------|
| UK                        | 20%        |
| Rest of Europe            | 25%        |
| North America             | 20%        |
| Asia                      | 30%        |
| Rest of World             | 45%        |
| <b>Workforce globally</b> | <b>25%</b> |

Fair pay

We operate a ‘total reward’ approach at JM, and we aim to provide a total reward offering that is flexible, market competitive in each country in which we operate and affordable for JM. For this, we are committed to providing fair reward that is consistent with our goal of being an inclusive and sustainable company.

We understand that there is pressure on our people’s finances because of the current economic environment and for the second year in a row, we have given a larger portion of the global salary budget to non-management roles, recognising that cost-of-living pressures are felt more acutely here.

We are developing our approach to global pay transparency in line with EU legislation and have already disclosed our UK gender pay gap report in accordance with UK law. In 2023/24 our UK gender pay gap was 7.6% which puts us ahead of the UK national average of 14.3%.

In addition to our employees’ pay, we have provided support through an employee assistance programme (Assist), which provides JM employees and dependants with confidential, external professional advice on a variety of financial wellbeing topics such as debt management, mortgages, and loans, in addition to broader mental, physical and social wellbeing topics. Our temporary employees received the same benefits as our permanent employees.

[View our gender pay gap report at: matthey.com/gender-pay-gap](https://matthey.com/gender-pay-gap)

Risk assessment and due diligence in our value chain

Own operations

Our Human Rights policy sets out our commitments and provides for regular processes to identify and mitigate risks in our operations. Where we have operating sites in high-risk countries we work with local teams to implement remedial actions where required.

Case Study: JM Operations - Recruitment agency onboarding

This year, JM was considering engaging a recruitment agency’s services to recruit workforce from abroad for one of our sites. Noting the prevalence of modern slavery and labour rights issues associated with labour agencies recruiting abroad, we undertook due diligence on this third party. While conducting the exercise certain red flags emerged, which warranted further scrutiny.

Red flags included: i) **Low media presence.** The agency had minimal online visibility with no online information available, or notable endorsements confirming their legitimacy or success in the market for a company that advertises experience and presence abroad; ii) **Lack of verifiable experience;** iii) **Newly formed business.** Despite claiming years of experience and legitimacy on their website, corporate records indicated that the agency had only been established less than a year ago; and iv) **No evidence of physical presence.** Despite claiming to operate several offices across the world, research did not yield evidence of existence or local verification of these offices.

Based on these significant areas of concern, JM decided there was not sufficient proof that the agency is an established entity with presence abroad and entrust them with the provision of the required human resources.



## Value chain

Currently JM risk assesses and conducts due diligence for modern slavery risks under various policies / procedures (HRJ Procedure, Platinum and Palladium Supply Chain Policy Statement, Conflict Minerals and Cobalt Policy and our Human Rights Policy) in addition to work undertaken with suppliers in accordance with our Supplier Code of Conduct and risk assessing suppliers for human rights risks (see above).

## Platinum group metals

We expect our PGM suppliers and refining customers to adhere to equivalent practices as those in our Platinum and Palladium Supply Chain Policy Statement and to carry out appropriate due diligence on the counterparties from whom they source PGM material. Modern slavery considerations form part of the due diligence process for those suppliers or refinery customers identified as being medium and high risk.

We collaborate with industry associations such as the International Platinum Group Metals Association (IPA) to ensure ethical sourcing of PGMs. Supporting the adoption of the Initiative for Responsible Mining Assurance (IRMA) standard, we recognise the challenges and continue assisting our suppliers on this journey. Our UK and US refineries adhere to the London Platinum and Palladium Market's 'Good Delivery' lists and Responsible Platinum and Palladium Guidance, annually confirmed through third-party audits by RCS Global. In addition, this year our Chinese refinery was audited by these standards, demonstrating the progress of JM managing its activities throughout the group to protect the environment and safeguard the health and safety of its employees, customers, the community, and other stakeholders.

 [More on the IRMA responsible mining standard: matthey.com/IRMA](https://matthey.com/IRMA)

 [Annual LPPM compliance: matthey.com/lppm-compliance](https://matthey.com/lppm-compliance)

## Conflict Minerals and cobalt

In alignment with both our Conflict Minerals & Cobalt Policy and the OECD's Due Diligence Guidance for Responsible Supply Chains or Minerals Modern Slavery Statement 2023/24

from Conflict Affected and High-Risk Areas, we engage with suppliers to get information on 3TGs (tin, tantalum, tungsten and gold) and cobalt in our products.

Of the 3TGs, tungsten is used in our autocatalyst products, though we recognise we may have small amounts of the others in finished goods and refining intakes. In 2023/24 we identified 85 suppliers providing 3TGs and cobalt going into our products. These suppliers have each provided due diligence industry standard reporting templates, of which four did not fully meet our requirements due to low supply chain coverage (less than 75%). We are working with these suppliers on remediation plans.

## Forestry products

We ensure palm oil is being purchased from sustainable sources, as set out in our Supplier Code of Conduct which can be found on our website. As a certified member of the Roundtable on Sustainable Palm Oil (RSPO) we successfully completed an audit by TÜV NORD Integra according to the RSPO Supply Chain Certification Standard in August 2023.

## Other raw materials from high-risk regions

Several raw materials to our products, including PGMs, rare earth metals and zeolites, are sourced from China. No major concerns have been identified, however, we continue the process of reviewing the detailed due diligence templates and will implement mitigations or put remedial actions in place, as required.

## Higher Risk Jurisdictions

In 2023/24 we completed due diligence on 217 counterparties in higher risk jurisdictions. While this figure is less than 1% of all our counterparties, they are the ones that present some of our highest risks from an ethics and compliance perspective.

In 2023/24 we completed the disposal of our production facility in Krasnoyarsk in Russia, which we previously put into dormant status during 2022/23, and have now exited Russia completely.



### Case Study: Risk Indicators for Potential Forced Labour in Higher-Risk Jurisdictions

As part of the onboarding process for a new counterparty in a higher risk jurisdiction, enhanced due diligence was carried out. During this exercise information indicated that the counterparty could be linked to potential forced labour.


Risk indicators included: i) the counterparty was affiliated to an entity with unverified forced labour allegations against; ii) the counterparty shared the same location and facilities with the affiliate company; and iii) the same individual acted as a legal representative for both entities.

These risk indicators and allegations around forced labour activities were reviewed and assessed further and found to be unverified at this time. We take allegations of forced labour seriously. It is JM's responsibility to identify, assess and mitigate these risks at all stages of a relationship. JM will continue to monitor the situation with this counterparty moving forward.

### Training

To complement our refreshed Code of Ethics we rolled out a new programme of ethics training globally.

This year we also rolled out a human rights training course to targeted groups.

 For details of training courses see our [Sustainability Performance Databook](https://matthey.com/sustainability-databook), [matthey.com/sustainability-databook](https://matthey.com/sustainability-databook)

### Governance of our sustainability targets

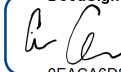
Now in its third year, our Societal Value Committee (SVC) oversees progress against our sustainability targets and commitments, which includes our commitment to uphold human rights throughout our value chains. The committee has expanded its role to monitor and build a high-performing culture based on ethical standards and inclusivity. The Modern Slavery Statement 2023/24

committee this year assessed ethics and compliance trends, material Speak Up cases, and reviewed ethical dilemmas and ethical heat maps across sites, reinforcing our commitment to uphold the highest standards of conduct. The SVC is a full board committee, chaired by independent non-executive director, Jane Griffiths. The SVC meets three times per year and is supported by the Group Leadership Team (GLT).

### Our intent

We will continue to address modern slavery risk and increase value chain accountability as part of our Human Rights programme. During FY 2024/25, we will continue to implement the Human Rights risk assessment framework and due diligence pathways into our existing processes.

This Modern Slavery Statement was approved by the Johnson Matthey Plc board on 17 July 2024 and is signed by Liam Condon, Chief Executive.

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**Liam Condon, Chief Executive**