



Johnson Matthey Gender Pay Gap Report 2022

Johnson Matthey
Inspiring science, enhancing life



Johnson Matthey's combined UK gender pay gap is **5.6%**. We continue to be well placed against the national average gender pay gap of **14.9%** however we recognise that there is still work to be done to address gender imbalance across our organisation.



Introduction

Women currently represent

29%

of our UK employees

33%

of our board



23%

of our Group Leadership Team



32%

of our senior management



30%

of our other management roles



Over the past few years we have seen good progress in reducing our gender pay gap. When we first started reporting our gender pay gap in 2017 our median gender pay gap was 9.2% and this year it is 5.6%. It takes time for there to be meaningful change, but over the past few years there has been real improvement, and we remain committed to ensuring our global workforce reflects the diversity of the communities in which we operate.

Our diversity, inclusion and belonging (DI&B) ambition is to be a high performing, innovative organisation; where all differences matter, everyone is valued and has a safe team environment to perform at their best. We want JM to be an organisation where everyone thrives, can bring their full self to work and feel a sense of belonging.

Finally we want JM to reflect the diversity of the communities in which we operate, with diversity encompassing protected characters, life experiences and all those things that make us unique.

We regularly review our progress and focus on those areas where we need to improve. In this report, we set out our UK gender pay gap information, and provide some insight into this gap. We also explain some of our current initiatives

and future plans that aim to improve female representation, retention and progression into more senior roles.

In 2021, we announced our goal to be net zero by 2040 together with a set of ambitious new sustainability commitments and targets. The targets fall into three categories – products and services; our operations; and people. As part of the people category, we have set a target to achieve more than 40% female representation across all management levels. In April 2022, we were at 30%.

In April 2022, women represented 29% of our UK employees (2021: 28%). Women also made up 33% of our board, 23% of our Group Leadership Team and 32% of our senior management group.



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 29% 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.

4,325

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.

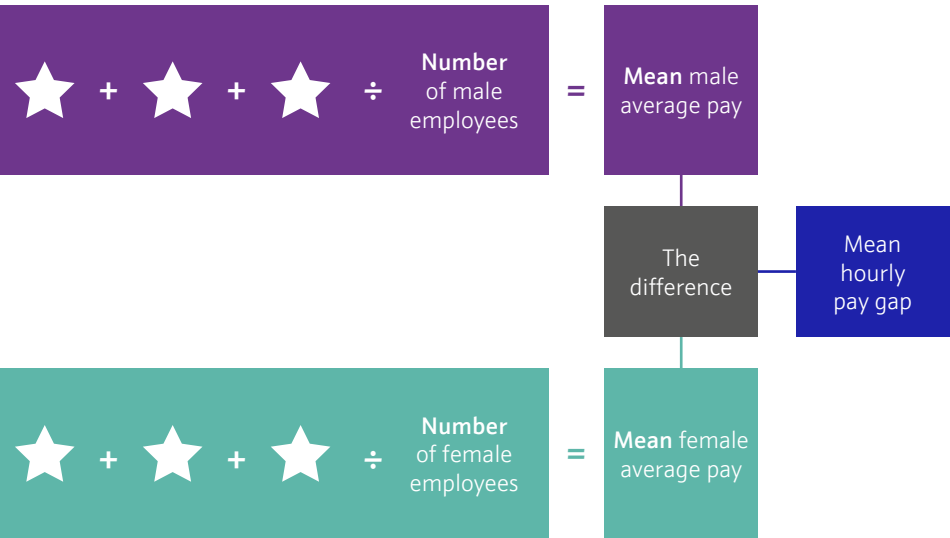
A gender pay gap does not mean that there are equal pay issues, rather it identifies an unequal distribution of men and women across the company where more males are employed in higher paid roles. It can really be thought of as a gender talent gap.

Mean versus median pay gap



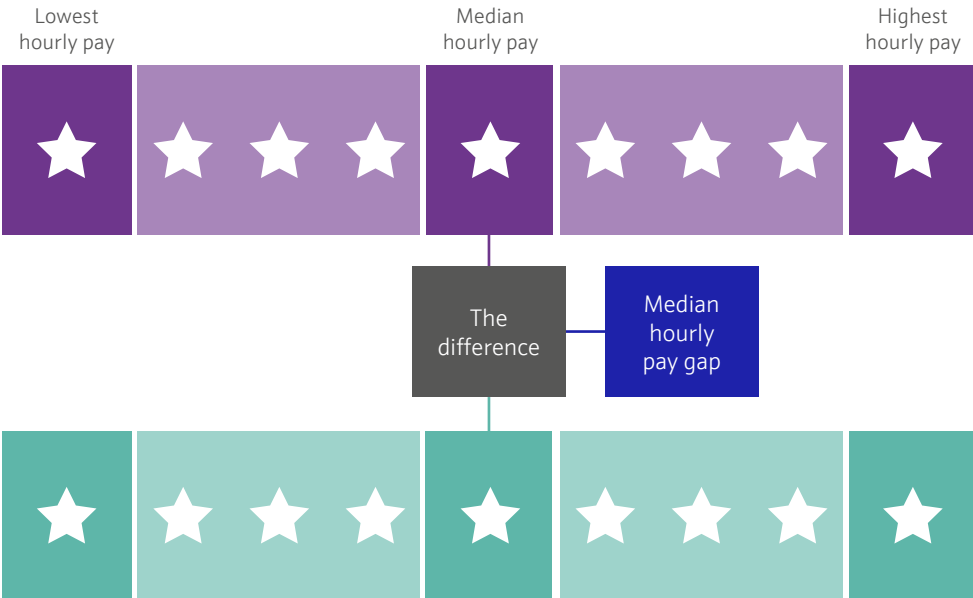
The mean pay gap

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.

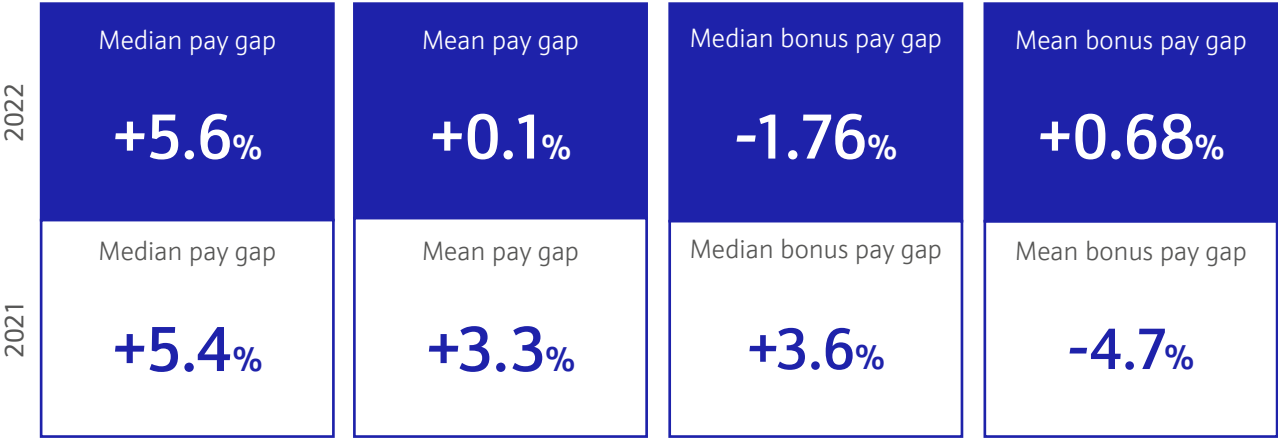
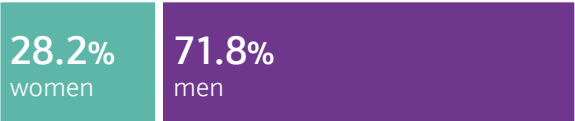
Understanding our pay gap

Johnson Matthey UK
Consolidated numbers including all UK employees

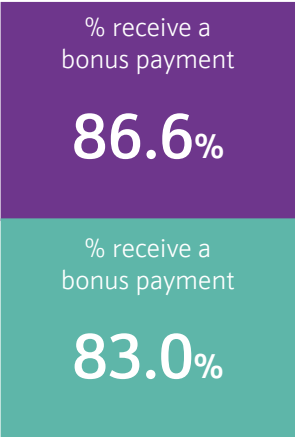
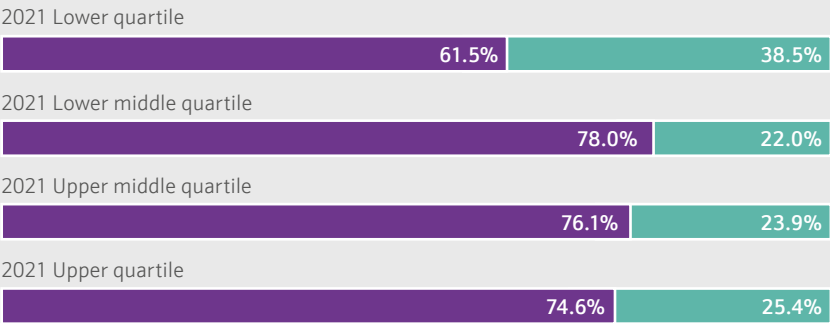
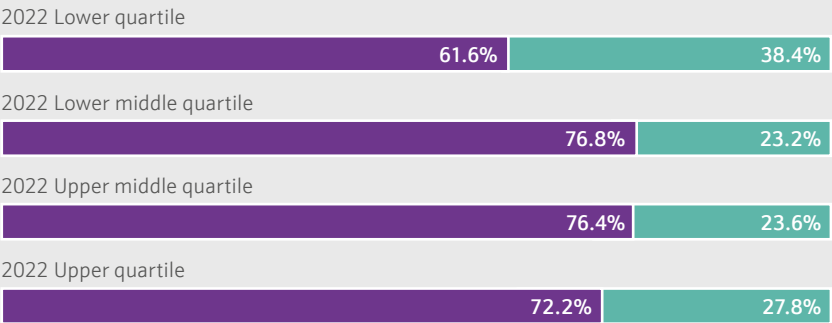
+14.9%
ONS Great Britain median pay gap



100%
of Johnson Matthey



Population by pay quartiles



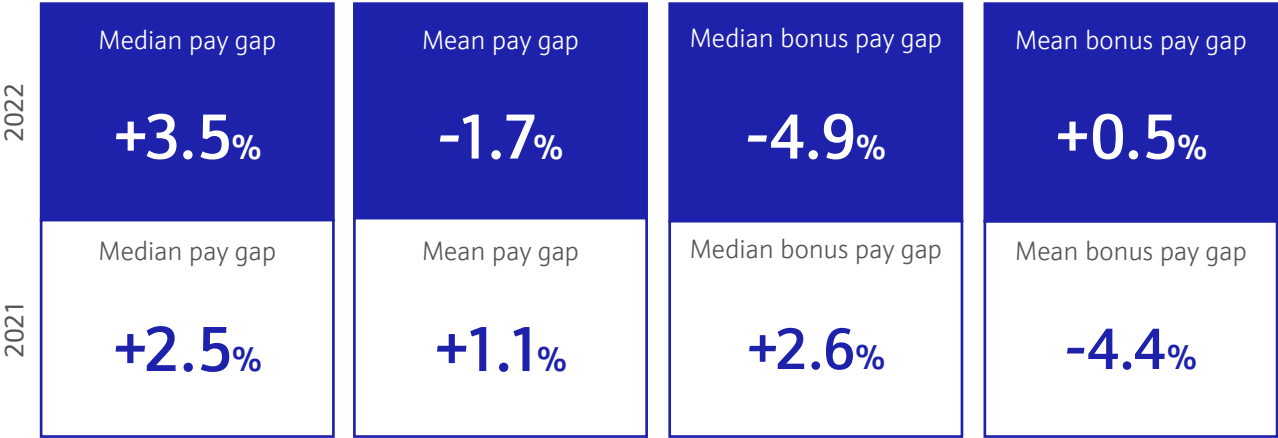
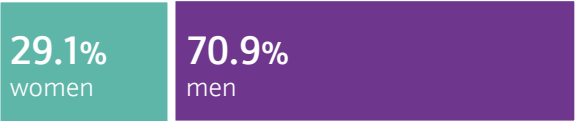
Understanding our pay gap

Johnson Matthey Plc
Our largest employing entity in the UK

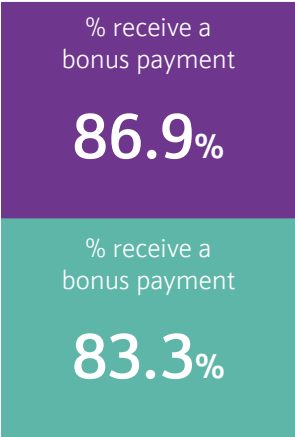
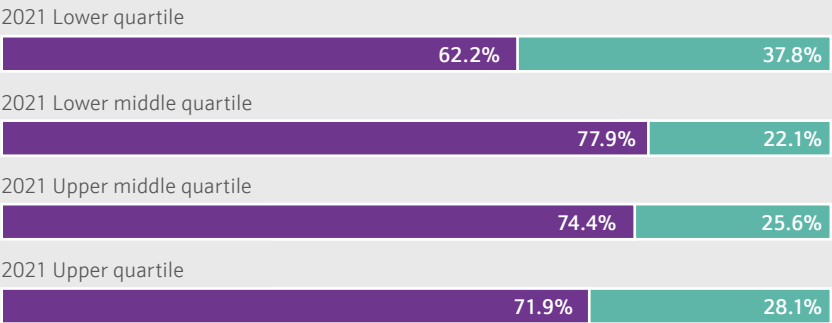
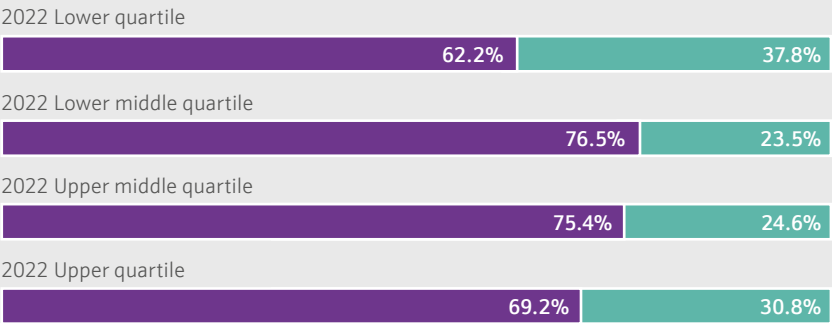
+14.9%
ONS Great Britain median pay gap



84%
of Johnson Matthey



Population by pay quartiles



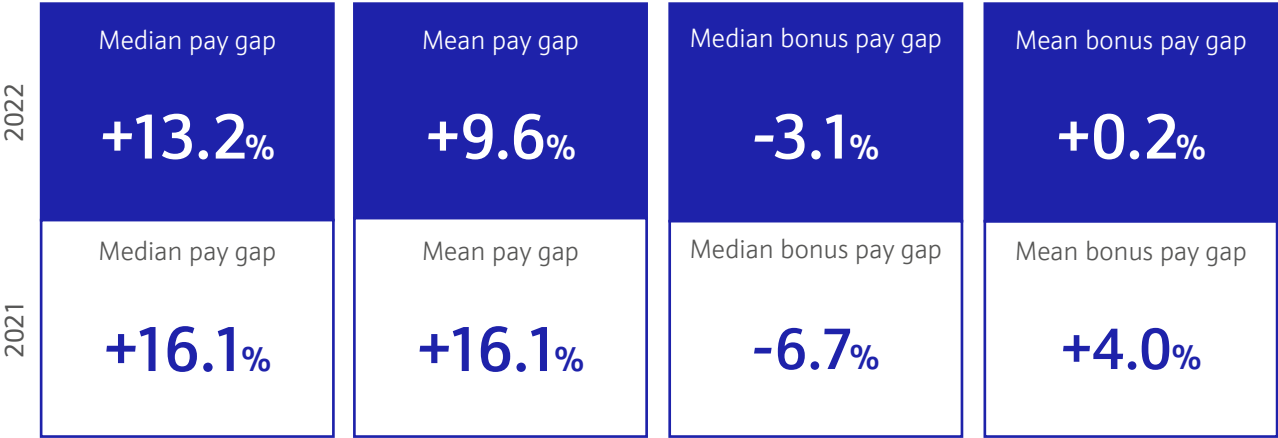
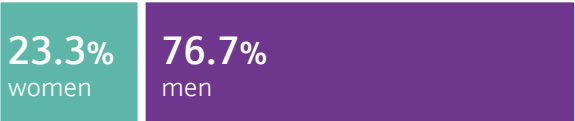
Understanding our pay gap

MacFarlan Smith Limited
Employs individuals in Edinburgh, Scotland

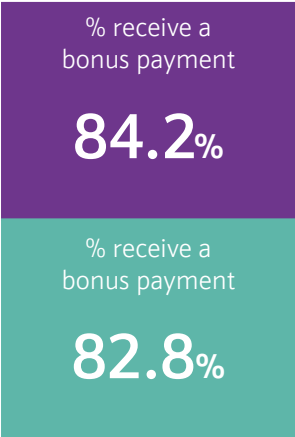
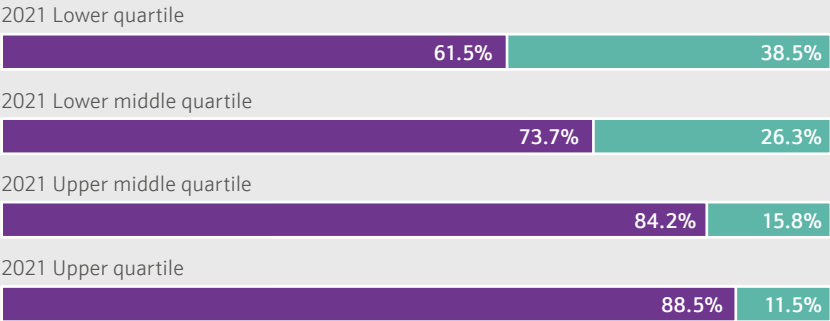
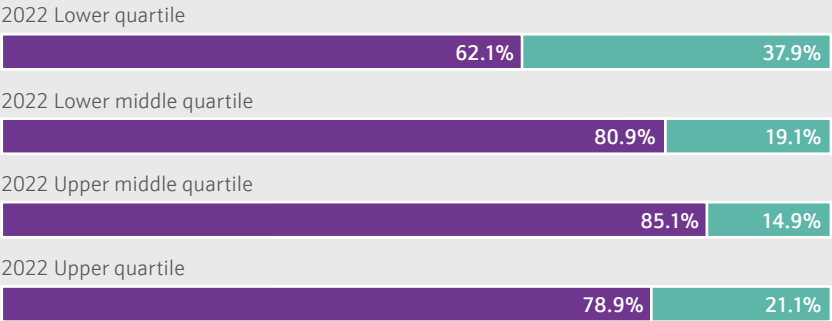
+14.9%
ONS Great Britain median pay gap



9%
of Johnson Matthey



Population by pay quartiles



Understanding our pay gap

While good progress has been made in addressing gender imbalance in our management roles, we are also focusing on the broader population to continue to positively shift our gender pay gap.

The average (mean) pay of our men and women is essentially the same (0.1%). However, our median gender pay gap is 5.6%.

The composition of our workforce is one of the key drivers of our gender pay gap. Recently, there has been limited change in our gender split at different levels of the organisation. However, we continue to work hard to tackle this gender imbalance to further positively shift our gender pay gap, and build a future pipeline of female leaders.

Some of JM's businesses have a higher gender pay gap due to the number of higher paid specialist roles being filled by men, for example, in Macfarlan Smith. We recently divested this

business and so the Group's gender pay gap will no longer be distorted by this workforce composition, and so we expect to see a reduction in our pay gap next year.

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 the number of women studying science, technology, engineering and mathematics (STEM) in the UK being low, 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.



Maurits van Tol
Chief Technology Officer

"Diversity and inclusion helps support better innovation and engagement. We are working hard to increase female representation in all areas, but particularly in our Technology and Engineering areas."

What we are doing to eliminate the gap

We know that it will take time for there to be long term sustainable change. We are committed to making progress and building a culture of inclusion and belonging so that Johnson Matthey becomes more representative of the world in which it operates.

We continued to make progress in our diversity and inclusion agenda this year, introducing a new diversity, inclusion and belonging (DI&B) roadmap built on five pillars: leadership accountability; developing and attracting talent; engaging employees; supplier diversity; and community engagement.

This roadmap is underpinned by policies and procedures designed to create a fair and inclusive workplace for all employees.

Standards and Data

We know that data is key to understanding and addressing our gender pay gap and achieving our sustainability goal.

We plan to further improve the quality of our data capture on DI&B and continue to work on further developing our global data capabilities, to better enable our progress and decision making in this area.

This has already been greatly enhanced by the launch of Workday, our Global HRIS, but next year we plan to launch a campaign to invite employees to share further diversity information with us, so we can gather more data on barriers to inclusion which will allow us to measure our progress and be more focused and intentional with our future plans.

Developing and attracting talent

We continue to use inclusive and gender neutral recruitment practices, using job adverts with gender neutral language and have set targets for gender balanced candidate shortlists and interview panels where possible.

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

Our commitment to addressing gender bias at senior management level is evidenced by the

positive changes in the gender balance at that level, with females now representing 32% of senior management, up from 30% last year.

In addition, each Johnson Matthey business unit has its own gender targets for the percentage of females in management roles.

Women made up 58% of our new graduates and 56% of our talent acceleration programme, during the year, ensuring that we have a strong talent pipeline to grow female leaders for the future.

Despite this positive shift, we know there is still progress to be made and we remain committed to further increasing the number of women we have across all of our disciplines and at all levels.

To further support this, we actively manage careers and succession plans to ensure balanced talent pipelines and identify under-representation so that strategies can be put in place to address any imbalance.

What we are doing to eliminate the gap



Policies and initiatives

We continue to promote and embed policies and approaches that support more flexibility and greater wellbeing which helps support women and all employees in the workplace. These include our global Smart Working policy; buying and selling of holiday; global minimum standards for parental leave; online health and wellbeing support; and medical plan benefits specifically for females.

As part of a global project to review and simplify our company policies we have updated our global policies with an inclusion lens, to ensure they are fully inclusive for our female colleagues and those from other under-represented communities.

Leadership accountability

We have recently relaunched our company engagement survey, including voluntary self-identifying demographic questions allowing us to understand perceptions to inclusion and engagement felt by different communities in JM.

During the year, we undertook a listening exercise with senior leaders, inviting female colleagues and others to share collected personal experiences and discuss the role of senior leaders in championing inclusion.

We will continue to work with senior leaders to understand gender representation across their businesses. This will ensure we can measure our progress towards achieving our JM gender target and hold leaders to account.

Engaging employees

This year we have focused on building awareness and education among our employees to enable us to develop a culture of inclusion and belonging, which is key to the retention of all talent, including our female talent.

In partnership with our newly formed Family employee resource group and Gender Equality Network, we arranged webinars on topics such as breaking the silence on menopause and supporting dads in the workplace, to break gender stereotypes, and arranged our hugely popular annual celebration of the efforts and achievements of our female colleagues as part of our International Women's Day events.



Jane Toogood
Sector Chief Executive,
Catalyst Technologies

"Diversity brings with it different perspectives which help us drive innovation and deliver better business results."



Declaration

We confirm the information and data reported are accurate as of the snapshot date 5th April 2022 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

