Chair's introduction to governance

"Good corporate governance is critical for our transformation journey and sustainable long-term success."

Patrick Thomas, Chair

Good corporate governance is critical for our transformation journey, to be successful and sustainable in the long term. This report sets out JM's approach to corporate governance and how it contributes to the development and delivery of our strategy.

Strategy

Following the launch of our revised strategy in 2022, the board has guided and supported management as we continue our transformation into an industry-leading energy transition company. The board receives regular presentations from senior management to ensure they are focused on delivering sustainable growth and returns for our shareholders.

As a board, we take time to understand the market opportunities and customer demand to ensure our businesses can deliver in line with our stakeholders expectations. Due to the slower pace in market development, we took the decisions to reduce our investment and delay the start-up of production of our new Hydrogen Technologies plant at Royston, UK. The board is confident that the green hydrogen opportunity remains and we continue to monitor the market and challenge management, to ensure the business adapts to the changing needs of our customers.

Board composition and succession

This year, the board, together with the Nomination Committee, continued to monitor the board's composition, skills and diversity to ensure we have the right structure and skills to support and challenge the management team. We were delighted to welcome Barbara Jeremiah to the board in July 2023. Barbara brings strong leadership, deep understanding of metals and has extensive experience in North American markets. You can read more about Barbara's introduction to JM on page 94.

I am pleased to confirm that during the year the board met and continues to meet the 2024 target set by the Parker Review with regard to ethnic diversity at board level, and also the targets set by the FTSE Women Leaders Review, following the appointment of Barbara Jeremiah.

Culture and engagement

Our values provide the framework for how we perform our duties, engage with each other in JM, and with our customers and stakeholders. The board places great emphasis on ensuring JM's culture aligns with our purpose, values and strategy and considers multiple sources to monitor and assess how our culture is embedded.

We remain mindful of how our decisions impact our various stakeholders and the range of matters discussed and debated by the board during the year can be found on page 74. Listening to our colleagues enables us to understand what matters to them and the challenges to their day-to-day work. Board members met with colleagues across JM to hear their experience of our transformation journey first hand. You can read more about our culture and stakeholder engagement on pages 90-91.

Each year, the performance of the board, its committees, and individual directors, is reviewed in accordance with the 2018 Corporate Governance Code (the Code), to ensure they are operating effectively and to identify development opportunities where necessary. This year, an externally facilitated effectiveness review took place, led by an independent consultant. The board was pleased by the results of the effectiveness review which concluded that it continues to function well. More information on our externally facilitated board and committee effectiveness review can be found on pages 84 and 85.

During the year we also took the opportunity to simplify our governance by reducing the membership of our committees and the frequency of our meetings. This enables our discussions to be more focused as we continue to challenge management on the execution of our strategy.

Looking ahead

We continue to monitor the ongoing regulatory reforms in relation to governance and keep our own governance arrangements under regular review. As such, the board has begun to consider the key changes in the new UK Corporate Governance Code 2024 which will apply to JM from April 2025, to ensure we are well placed to meet these requirements.

As we continue to focus on our strategic transformation, I would like to thank all colleagues for their hard work and commitment during a year of significant change.

Patrick Thomas
Chair

Board statements

Compliance with the UK Corporate Governance Code 2018

During the year under review, we have applied all the principles and complied with all the provisions of the Code except provision 41 – engagement with the workforce on alignment of executive pay with the wider company pay policy. While we inform our employees of global changes to pay and benefits, we have not actively sought a two-way dialogue over executive pay. We benchmark remuneration against our peers to ensure we offer competitive pay and benefits, so we continue to attract and retain the highest-calibre candidates. During the year, all employees were able to provide feedback on a range of matters, including remuneration, as part of our annual employee engagement survey. Read more in our Remuneration Committee report on page 107.

The Code is publicly available on the Financial Reporting Council (FRC) website, frc.org.uk

Fair, balanced and understandable

In accordance with the Code, the board considers that, taken as a whole, the Annual Report and Accounts 2024 is fair, balanced and understandable, and provides the information necessary for shareholders to assess Johnson Matthey's position, performance, business model and strategy. The Audit Committee assesses the process that management uses to support the recommendation to the board.

→ Read more about our FBU process on page 102.

Going concern

The directors have a reasonable expectation that Johnson Matthey Plc has adequate resources to continue to fund its operations for a period of 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the accounts.

→ Read more about our going concern on page 71.

Viability

The directors have assessed the viability of the company and group over a three-year period, taking into account the group's current position and the potential impact of the principal risks and emerging risks. Based on this assessment, the directors confirm they have a reasonable expectation that the company and group will be able to continue operating and meet its liabilities as they fall due over the three-year period to 31st March 2027.

→ Read more about our viability on page 71.

Risk assessment of the principal risks facing the company and annual review of systems of risk management and internal control

The board acknowledges its responsibility for establishing procedures to manage risk. During the year, the board reviewed the effectiveness of the company's risk management and internal control systems and conducted a robust review of the company's principal risks. These activities meet the board's responsibilities in connection with risk management and internal control as set out in the Code.

→ Read more about our risk assessment of the principal risks facing the Company and annual review of systems of risk management and internal control on pages 62 to 70.

How we apply the principles of the Code

Board leadership and company purpose	
The role of the board	Page 80
Purpose and culture	Pages 46 and 90
Resources and controls	Page 102
Stakeholder engagement	Pages 86-88
Workforce engagement	Page 91
Division of responsibilities	
Role of the Chair, non-executive directors and Company Secretary	Page 80
Composition of the board	Pages 78-79
Composition, succession and evaluation	
Appointments to the board and succession planning	Page 94
Career, experience and knowledge of the board	Pages 77-79
Board evaluation	Pages 84-85
Audit, risk and internal control	
Audit Committee report	Pages 96-104
Risk report	Pages 62-70
Remuneration	
Remuneration Committee report	Pages 105-127

Board at a glance

as at 31st March 2024

Board and committee attendance

Director	Board	Societal Value Committee[1]	Nomination Committee	Audit Committee[1 2]	Remuneration Committee[1]
Patrick Thomas	7/7	3/3	6/6	–	6/6
Liam Condon	7/7	3/3	–	–	–
Stephen Oxley[3]	6/7	3/3	–	–	–
Rita Forst[4]	6/7	3/3	5/6	3/3	5/5
Jane Griffiths[5]	7/7	3/3	5/6	3/3	5/6
John O'Higgins	7/7	3/3	6/6	3/3	6/6
Barbara Jeremiah[6]	5/5	2/2	4/5	2/2	3/3
Xiaozhi Liu[7]	7/7	3/3	5/6	3/3	5/6
Chris Mottershead[8]	6/6	3/3	5/5	3/3	5/5
Doug Webb[9]	7/7	3/3	5/6	3/3	5/6

1. With effect from 2nd January 2024, the board committee membership changed. For more information see the Nomination Committee report, page 93.
2. The Audit Committee meets a minimum of four times per year. In the financial year 2023/24, the March meeting was moved to April and will therefore be counted in the next financial year.
3. Stephen Oxley was unable to attend the April 2023 board meeting due to travel disruption.
4. Rita Forst was unable to attend the April 2023 board meeting and February 2024 Nomination Committee meeting, which were arranged at short notice, due to scheduling conflicts.
5. Jane Griffiths was unable to attend the August 2023 Nomination Committee meeting and August 2023 Remuneration Committee meeting, which were arranged at short notice, due to a scheduling conflict.
6. Barbara Jeremiah joined the board and committees in July 2023. Barbara was unable to attend the February 2024 Nomination Committee meeting, which was arranged at short notice, due to a scheduling conflict.
7. Xiaozhi Liu was unable to attend the August 2023 Nomination Committee meeting and August 2023 Remuneration Committee meeting, which were arranged at short notice, due to a scheduling conflict.
8. Chris Mottershead retired from the board on 26th January 2024.
9. Doug Webb was unable to attend the August 2023 Nomination Committee meeting and August 2023 Remuneration Committee meeting, which were arranged at short notice, due to a scheduling conflict.

Non-Executive Directors' skills and experience

Industry experience	Patrick Thomas	Rita Forst	Jane Griffiths	John O'Higgins	Barbara Jeremiah	Xiaozhi Liu	Doug Webb
Automotive	●	●		●		●	
Chemicals	●			●	●		
Energy				●		●	
Oil and gas	●			●			
Precious metals	●	●			●		
Manufacturing	●	●		●	●	●	●
Professional services		●					●
Technology	●	●	●	●	●	●	●
Sustainability	●	●	●		●	●	
Organisation transformation	●	●	●	●	●	●	●

Board composition

Gender diversity

Male directors	5
Female directors	4

2023
Male directors: 6
Female directors: 3

Chair and NED tenure

0-3 yrs	2
4-6 yrs	4
7-9 yrs	1

Roles

Chair	1
Executive	2
Non-Executive	6

Nationality

British	4
Irish	2
German	2
US citizen	1

Board of Directors

Patrick Thomas
Chair

Appointed to the board: June 2018

Career and experience which support strategy and long-term success

Between 2015 and May 2018, Patrick was Chief Executive Officer and Chair of the board of management at Covestro AG. Between 2007 and 2015, he was Chief Executive Officer of its predecessor, Bayer MaterialScience, before its demerger from Bayer AG. He is a fellow of the Royal Academy of Engineering.

Contribution

Patrick has deep experience of leading international speciality chemical businesses. He also has a track record in driving growth through science and innovation across global markets, with a strong focus on sustainability.

External appointments

Non-Executive Director at AkzoNobel and member of Covestro AG's supervisory board.

Liam Condon
Chief Executive Officer

Appointed to the board: March 2022

Career and experience which support strategy and long-term success

Liam was previously a member of the board of management of Bayer AG and President of the Crop Science Division, a role he held for nine years. He has also served in senior roles at Schering AG and Bayer HealthCare.

Contribution

Liam is a dynamic and values-driven leader, with an impressive track record of leading science-based businesses while delivering consistent high-quality performance. He balances commercial ability with a strong strategic perspective. He has a proven track record of driving growth and modernising organisations.

External appointments

Non-Executive Director at Halma plc.

Stephen Oxley
Chief Financial Officer

Appointed to the board: April 2021

Career and experience which support strategy and long-term success

Stephen joined from KPMG, where he was a partner. He is experienced in both audit and advisory roles for large, complex international companies across a variety of sectors including fast-moving consumer goods, healthcare, natural resources and industrials. Stephen is a chartered accountant.

Contribution

Stephen brings operational and technical understanding of Johnson Matthey and significant experience working with companies going through major change programmes.

External appointments

Non-Executive Member of the Audit and Risk Assurance Committee for The Sovereign Grant.

Barbara Jeremiah
Senior Independent Director

Appointed to the board: July 2023

Career and experience which support strategy and long-term success

Most recently, Barbara was Executive Vice President, Corporate Development of Alcoa Inc, a global aluminiuim producer. She has extensive board experience, having previously been a non-executive director of Premier Oil plc, Aggreko and Russel Metals Inc. Barbara is a qualified lawyer.

Contribution

Barbara brings strong leadership, deep understanding of metals and has extensive experience in North American markets, having spent over 30 years at Alcoa Inc. Her previous experience as a non-executive director enables her to act as a soundng board for the Chair.

External appointments

Chair of The Weir Group PLC and Non-Executive Director of Senior plc.

Rita Forst
Independent Non-Executive Director

Appointed to the board: October 2021

Career and experience which support strategy and long-term success

Rita spent more than 35 years at the Opel European division of General Motors in senior engineering, product development and management positions, including Vice President, Engineering, for General Motors Europe. Rita was responsible for the development of new generations of engines and car models for Opel and General Motors, as well as European research and development activities.

Contribution

Rita has a deep understanding of the automotive and powertrain sectors. Her extensive knowledge includes research and development of conventional and alternative powertrains, as well as future vehicle technologies.

External appointments

Non-Executive Director of Westport Fuel Systems Inc, Non-Executive Director of AerCap Holdings N.V., Member of the supervisory board of NORMA Group SE and Member of the advisory board of iwis SE & Co.KG.

Change during the year:

Chris Mottershead stepped down from his position as independent Non-executive Director in January 2024.

S Societal Value Committee member N Nomination Committee member A Audit Committee member R Remuneration Committee member Committee Chair

Jane Griffiths
Independent Non-Executive Director

Appointed to the board:
January 2017

Career and experience which support strategy and long-term success

Jane held various roles at Johnson & Johnson (J&J) from 1982 until her retirement in 2019, with experience in international and affiliate strategic marketing, sales management, product management, general management and clinical research. Most recently, she was Global Head of Actelion, a Janssen pharmaceutical subsidiary of J&J.

Contribution

Jane has significant experience and understanding of global strategy management across a variety of markets, and a strong interest in sustainability and diversity.

External appointments

Chair of Redx Pharma Plc, Non-Executive Director of BAE Systems plc.

John O'Higgins
Independent Non-Executive Director

Appointed to the board:
November 2017

Career and experience which support strategy and long-term success

John was Chief Executive of Spectris plc from January 2006 to September 2018, leading the business through a period of significant transformation. He previously worked for Honeywell as President of Automation and Control Solutions, Asia Pacific, and in other management roles. From 2010 to 2015, John was a Non-Executive Director at Exide Technologies Inc, a battery technology supplier to automotive and industrial users. He began his career as a design engineer at Daimler-Benz in Stuttgart.

Contribution

John has extensive business and industrial experience, as well as a track record of portfolio analysis and realignment, driving growth and improving operational efficiencies.

External appointments

Chair of Elementis plc, Non-Executive Director of Oxford Nanopore Technologies Plc, member of the supervisory board of ENVEA Global SA and Trustee of the Wincott Foundation.

Xiaozhi Liu
Independent Non-Executive Director

Appointed to the board:
April 2019

Career and experience which support strategy and long-term success

Xiaozhi is the founder and Chief Executive of ASL Automobile Science & Technology, a position she has held since 2009. She was previously a senior executive in several automotive companies, including Chair and Chief Executive of General Motors Taiwan and non-executive director of InBev SA/NB.

Contribution

Xiaozhi has deep knowledge and perspective on sustainable and technology-driven businesses, and strong experience of the global automotive sector, particularly in China, as well as Europe and the US.

External appointments

Chief Executive of ASL Automobile Science & Technology, Non-Executive Director of Autoliv Inc.

Doug Webb
Independent Non-Executive Director

Appointed to the board:
September 2019

Career and experience which support strategy and long-term success

Doug was Chief Financial Officer at Meggitt plc from 2013 to 2018, and was previously Chief Financial Officer at London Stock Exchange Group plc and QinetiQ Group plc. Before that, he held senior finance roles at Logica plc. Doug began his career in Price Waterhouse's audit and business advisory team. He is a fellow of the Institute of Chartered Accountants in England and Wales.

Contribution

Doug has a strong background in corporate financial management and a deep understanding of the technology and engineering sectors. Doug chaired the Audit Committee at SEGRO plc for nine years until April 2019, making him ideally suited to chairing our Audit Committee and acting as its financial expert.

External appointments

Non-Executive Director of United Utilities Group PLC.

Simon Price
General Counsel and Company Secretary

Appointed as General Counsel and Company Secretary: June 2023

Career and experience which support strategy and long-term success

Simon trained as a research scientist before moving into law, spending 11 years at Freshfields and then at Smiths Group plc, where he was General Counsel for the APAC region. He joined JM in 2019 as Deputy General Counsel and General Counsel of Clean Air before being appointed to the role of General Counsel and Company Secretary.

Contribution

Simon's in-depth knowledge of corporate law and legal risk, along with his experience of the chemicals and technology sectors, means he is well placed to advise JM on key issues relating to legal matters, corporate governance and compliance.

External appointments

None

S Societal Value Committee member
N Nomination Committee member
A Audit Committee member
R Remuneration Committee member
Committee Chair

Our governance structure

Our board of directors

At the date of this report, the board comprises nine directors: the Chair, two executive directors, the Senior Independent Director and five independent non-executive directors. The board is responsible for our long-term success. It provides leadership and direction and monitors Johnson Matthey's culture and values. The board also sets our strategy and oversees its implementation, ensuring we are managing risks appropriately and acting in the interests of our stakeholders. The responsibilities we do not delegate as a board are included in the matters reserved for the board in our Governance Framework.

Governance Framework: matthey.com/governance-framework

Board composition and roles

Our non-executive directors are determined to be independent by the board, in accordance with the Code's criteria. The board members' respective career, experience and knowledge enable them to discharge their respective duties and responsibilities effectively. Further details can be found on pages 78-79. The Chair was considered independent on appointment.

Chair
Patrick Thomas
- Leads the board
- Ensures an effective board, including welcoming contributions and challenges from directors
- Maintains regular and effective shareholder communications so that the board has a clear understanding of their views
- Chairs the Nomination Committee, initiating change and succession planning for the board and senior management
- Promotes high standards of integrity, probity and corporate governance throughout JM

Independent non-executive directors
Rita Forst, Jane Griffiths, Xiaozhi Liu, John O'Higgins and Doug Webb
- Constructively challenge the executive directors
- Scrutinise management's performance
- Provide independent advice on strategy proposals
- Satisfy themselves on the integrity of financial information and on the effectiveness of financial controls and risk management systems
- Determine appropriate executive director remuneration

Senior Independent Director
Barbara Jeremiah
- Provides a sounding board for the Chair
- Acts, if necessary, as a focal point and intermediary for the other directors
- Ensures any key issues not being addressed by the Chair or senior management are acted upon
- Is available to shareholders should they have concerns
- Leads the annual appraisal of the Chair's performance

Chief Executive Officer
Liam Condon
- Day-to-day responsibility for running the group's operations
- Recommends and implements group strategy
- Applies group policies
- Promotes JM's culture and standards

Chief Financial Officer
Stephen Oxley
- Has day-to-day responsibility for managing the finance, IT, and security functions
- Leads the group's finance activities, risks and controls

General Counsel and Company Secretary
Simon Price
- Together with the Chair, keeps the effectiveness of the company's and the board's governance processes under review
- Provides advice on corporate governance matters

Our board committees

From January 2024, the membership of our board committees was reduced, to align with the company's overall approach to simplifying the business. Whilst there had been benefits in all non-executive directors being members of all committees, it was felt that a more focused membership would enhance efficiencies to support the delivery of our strategic priorities.

The number of board and committee meetings held during the financial year are included on page 77. The board keeps the number of meetings under review to ensure that non-executive directors have sufficient time to discharge their duties.

Governance Framework: matthey.com/governance-framework

Societal Value Committee

- Jane Griffiths (Chair)
- Liam Condon
- Barbara Jeremiah
- Rita Forst
- John O'Higgins
- Stephen Oxley

→ Read more on pages 89 to 91

Nomination Committee

- Patrick Thomas (Chair)
- Rita Forst
- Barbara Jeremiah
- Jane Griffiths
- John O'Higgins
- Xiaozhi Liu
- Doug Webb

→ Read more on pages 92 to 95

Audit Committee

- Doug Webb (Chair)
- Rita Forst
- Jane Griffiths
- Barbara Jeremiah
- John O'Higgins

→ Read more on pages 96 to 104

Remuneration Committee

- John O'Higgins (Chair)
- Jane Griffiths
- Xiaozhi Liu
- Doug Webb

→ Read more on pages 105 to 127

Disclosure Committee

The committee comprises executive management and the General Counsel and Company Secretary (Chair). The board has delegated specific responsibilities to the Disclosure Committee which identifies and controls inside information, and determines how or when that information is disclosed, in accordance with applicable legal and regulatory requirements.

Group Leadership Team

The board delegates responsibility for implementing operational decisions and for the day-to-day management of the business to the Chief Executive Officer, who is supported by the Group Leadership Team (GLT). Our Delegation of Authorities Framework sets out levels of authority for decision-making throughout the group.

Details of GLT members and their relevant experience are on our website: matthey.com/GLT

In May 2024, as we continued to simplify our governance, the board agreed to consolidate the responsibilities of the Ethics Panel, which, among other things, oversaw our Speak Up programme, to the Societal Value Committee.

Board outcomes

Our board agendas reflect our strategic priorities and provide us sufficient time to discuss and develop proposals and monitor group performance. Over these two pages, we have set out some of the outcomes of matters we discussed during the year, with different stakeholder groups central to those decisions. Our stakeholder engagement on pages 86 to 88 (including our Section 172 statement on page 74), illustrates how the board considers stakeholder views and the outcomes of those considerations.

→ Read more about our strategy on pages 14 and 15 and risk on pages 62-70.

April

- Approved the sale of our Diagnostic Services business, supporting our strategic milestone of the Value Business divestment programme
- Appointed Simon Price as General Counsel and Company Secretary with effect from June 2023

May

- Reviewed and approved the full year results and Annual Report and Accounts 2023, and recommended approval of the 2022/23 final dividend to shareholders
- Received an update on the JM and Hystar strategic partnership in renewable hydrogen production, one of our strategic milestones to win at least two large-scale strategic partnerships in Hydrogen Technologies
- Our Senior Independent Director met with the non-executive directors to review the Chair's performance

June

- Investor engagement following the year-end results, including executive director participation in a Catalyst Technologies seminar for investors and analysts

July

- Approved an investment agreement with Shanghai Jiading District for plans to build a new catalyst coated membrane production facility for multiple proton exchange membrane (PEM) fuel cell applications and PEM electrolysers
- Board engaged with shareholders at the AGM

August

- Approved the sale of certain assets of the German battery materials business, supporting JM's exit of the battery materials market to enable focus on its core businesses
- Barbara Jeremiah visited Wayne, US as part of her induction programme, including meeting with site leadership and high-potential leaders

October

- Approved the closure of manufacturing operations at our JM Clean Air plant in Germiston, South Africa in line with our footprint rationalisation programme

Governance in action

JM Global Solutions
In October, following a detailed review, the board approved the JM Global Solutions (JMGS) business case for a fully integrated hybrid global business services model for Finance, Procurement and HR. The board considered this would improve the quality of the current service, drive standardisation and reduce cost. The board agreed that this level of change was key for JM to transform for growth and would create a more integrated culture.

November

- Reviewed and approved the half-year results and 2024/25 interim dividend
- Carried out a risk review
- Approved board committee composition changes with effect from 2nd January 2024

Governance in action

Board oversight of cyber security
in November, following a request from the board, an independent review of cyber matters was undertaken, resulting in a cyber risk reduction programme being developed using input and guidance from key partners. The board reviewed the outcomes and recommendations, and with oversight through CFO sponsorship, has continued to review this programme throughout the year. Updates for these reviews have been provided by the Chief Information Officer on JM's cyber risks and mitigation plans, including current and future innovation opportunities such as digital, AI and a demonstration of the cyber security controls in place.

Board outcomes continued

Governance in action

Sustainable technology win
In February, the board discussed a licence and engineering agreement with DG Fuels, to use JM's Fischer Tropsch (FT) CANS™ technology, co-developed with bp, for its first sustainable aviation fuel (SAF) plant. The board reviewed the market demand for the technology and, following consideration, agreed that FT CANS™ technology is a key contributor to long-term growth. This is the tenth sustainable technologies project win for Catalyst Technologies since April 2022.

December

- Jane Griffiths and Doug Webb visited Swindon, UK as part of the board's workforce engagement programme

January

- External board effectiveness review began

February

- Board site visit to Royston, UK including site tours and workforce engagement
- Approved a new London workspace for employees

March

- Approved the sale of our Battery Systems business and our Medical Device Components business, as part of our Value Business divestment programme

April

- Xiaozhi Liu visited Shanghai, China as part of the board's workforce engagement programme

May

- Received a teach-in on our Catalyst Technologies business
- Discussed external board and committee effectiveness review findings

Governance in action

Hydrogen Technologies Production
The board reviewed the market growth and customer forecasts for green hydrogen. Having discussed various options, including their impacts on customers and employees, it was agreed that investments in Hydrogen Technologies should be reduced and the start-up of the new production facility in Royston, UK should be delayed, with production demand met from the Swindon facility. The key metrics that would be monitored to support the decision when to start production at Royston were agreed.

Board 2023/24 time allocation

Meeting agendas are agreed by the Chair, CEO and General Counsel and Company Secretary and combine a balance of regular standing items as outlined below.

Executive reports: The CEO and CFO provide high-level operational and financial updates presenting key achievements, challenges and actions being taken.

Strategy and performance: The board reviews key areas of strategy and performance, presented by our business Chief Executives and Function leaders.

Transformation: The board receives updates on the work of the Transformation Office and JM Global Solutions, our most significant change programme.

Risk, governance and compliance: The General Counsel and Company Secretary provides regular updates on corporate governance developments as well as internal governance matters. The board reviews the company's principal risks at least twice a year.

Board and committee effectiveness

The annual effectiveness review helps drive continuous improvement of the board and, in turn, performance of the company. The board and committee effectiveness review operates on a three-year cycle as outlined below:

Years 1 and 2

2021/22 and 2022/23: internally led

Internal board and committee effectiveness review, led by the Chair with support from the General Counsel and Company Secretary.

- January – February: board members, a number of senior leaders and external advisers complete a questionnaire compiled by Independent Audit Limited on a range of topics including leadership, strategy, board dynamics and culture
- March: one-to-one meetings between the Chair and each board member to discuss the emerging themes from the questionnaire
- May: the Senior Independent Director meets with directors to appraise the Chair
- May: board and committee discussions of the results and agreement of action plans

Year 3

2023/24: externally led

External board and committee effectiveness review, facilitated by an independent consultant, Lisa Thomas of Independent Board Evaluation (IBE). This is the first year IBE have performed a board effectiveness review for JM.

- November 2023: selection of IBE following an assessment of suitable independent firms. The selection process was led by the Chair and General Counsel and Company Secretary. Lisa Thomas and IBE have no other connection with the Company
- January 2024: comprehensive brief given to IBE by the Chair
- February 2024: board and committee meeting observations
- February – March 2024: interviews with all board, GLT members and external advisers
- April 2024: conclusions discussed with the Chair and subsequent board and committee reports produced
- May 2024: IBE presented the results to the board for discussion and agreement of actions. Subsequent committee-led discussions of results and action plans
- June 2024: one-to-one meetings between the Chair and each board member post review

Board effectiveness review outcome

The 2023/24 review highlighted the constructive boardroom dynamics and a high degree of openness between board members, underpinned by trusting relationships. There is diversity of experience and thought, with well-balanced input and specialisms. Shareholder accountability and relationships, governance and compliance and the process for selecting new board members, were seen as particular strengths. It was noted that improvements could be made to agenda planning, to ensure focus on key issues and sufficient time for full discussion. Opportunities for the non-executive directors to deepen relationships with the GLT would also be welcomed.

2023/24 action	Responsibility
Agree board objectives for 2024/25, supported by an annual planner	Chair, Committee Chairs, with supported from the General Counsel and Company Secretary
Increase engagement between GLT members and non-executive directors	Chair, CEO
As the new arrangements for board committee composition and cadence embeds, review roles and responsibilities to ensure these remain appropriate and are in support of the board's objectives	Chair, Committee Chairs, General Counsel and Company Secretary

2022/23 review

Actions from the 2022/23 review are set out below together with details of the progress made.

2022/23 action	2022/23 progress and insight
• Review and discuss how cyber risk is managed and mitigated across the group	• The board requested and received two updates on cyber risk during the year. Read more about board oversight of our cyber security on page 82
• Discuss the approach to culture and agree the methodology of reviewing progress	• Information on the Societal Value Committee's approach to monitoring culture and the agreed cultural dashboard can be found in the Societal Value Committee's report on page 90
• Secure more opportunities for board members to meet members of the senior leadership teams outside of formal board meetings	• Details on the board's engagement with site leadership are set out on page 91

Review of the Chair's performance

Led by Barbara Jeremiah, the Senior Independent Director, the non-executive directors met without Patrick Thomas to discuss his performance as Chair. They considered he continues to provide robust leadership for the board and facilitates open and constructive debate.

Stakeholder engagement

We are focused on driving long-term sustainable success for the benefit of our stakeholders. This section provides an insight into how we, as a board, engage with our stakeholders to understand what matters to them. Examples of some of the principal decisions taken by the board during the year and the stakeholder views and inputs considered as part of these decisions are on pages 86-88. Find more information on board outcomes on pages 82-83.

Customers and strategic partners

How we engage at board level

- Customer relationships are discussed at every board meeting
- Key strategic partnerships were approved by the board during the year, and the board assesses potential partnerships against our strategic milestones

How we engage across the company

- Customer satisfaction surveys
- Tracking customer perceptions against key indicators
- Engaging customers in the development process of new products

Investors

How we engage at board level

- Regular investor updates are presented at board meetings
- Investors have the chance to ask directors questions at the AGM
- The Chair, Chief Executive Officer and Chief Financial Officer have regular engagement with investors and analysts, including presenting full and half year results
- The Remuneration Committee Chair engages directly on remuneration matters and application of policy
- The Senior Independent Director and committee chairs are available to meet with investors

How we engage across the company

- Regular dialogue with shareholders to support them in their investments
- Investor roadshows and investor conferences
- Catalyst Technologies investor seminar

Our people

How we engage at board level

- Review the results of the employee engagement surveys
- Monitor culture and the impact of the transformation programme on our people
- Regular visits to JM sites to meet colleagues
- Review process safety and EHS processes to ensure they keep our people safe
- The Nomination Committee receives talent and succession updates
- The Societal Value Committee reviews matters raised through our independent Speak Up process
- The Remuneration Committee sets the reward and benefits framework

How we engage across the company

- Regular internal communications and town halls
- Employee engagement surveys
- Policies, processes and events to keep our people safe and promote a culture of diversity, inclusivity and belonging, that reflects our values
- Annual JM Awards

Society

How we engage at board level

- Address key societal issues within our strategy
- Through the Societal Value Committee review the progress towards our sustainability targets

How we engage across the company

- Play an active role in a variety of associations, including the Henry Royce Institute, the Society of Chemical Industries and the UN's International Hydrogen Energy Centre

Communities

How we engage at board level

- The Societal Value Committee receives reports on sustainability and actions to support our communities

How we engage across the company

- JM colleagues can take up to two paid volunteering days every year to work with projects that benefit their local communities. In 2023/24 volunteering activities ranged from repairing community facilities to litter picking and supporting refugees and food banks
- Match funding for employee donations to certain charitable causes. In 2023/24 JM matched charitable donations made to a variety of charities from Médecins Sans Frontières, Doctors Without Borders, to the World Wildlife Fund and Macmillan Cancer Support
- Donations to support communities in the regions that we operate in
- Supporting relief efforts in China's quake-hit Gansu

Suppliers

How we engage at board level

- Review payment practices reporting and areas of improvement
- Review and approve the Modern Slavery Statement
- Promote an ethical culture

How we engage across the company

- Continually review relationships with our strategic and high-impact suppliers – see page 88
- Policies and processes to ensure an ethical supply chain, including the Human Rights Policy and Conflict Minerals and Cobalt Policy
- Ethics communications to raise awareness of the importance of ethical conduct within our supply chain

Stakeholder engagement in action

Stakeholder engagement is vital to building a sustainable business. The board recognises the need to foster positive business relationships with suppliers, customers and governments.

This section provides more details on how the directors have fulfilled their duties. The matters we consider differ in relevance for each stakeholder, and sometimes stakeholders may have conflicting interests. We aim to consider the key issues relevant to each stakeholder group and our decisions will ultimately promote the group's long-term success, and support our vision, purpose and strategy. In making decisions, we consider the interests of stakeholders across the company – not just at board level.

Transforming the way we operate – JM Global Solutions

Making JM simpler, more agile and more cost-effective are key parts of how we can 'Play to Win' and deliver our strategy. To support the delivery of our strategy we explored the benefits that a global business services hybrid operating model could bring to the way we deliver human resources, finance and procurement services. Following discussion and detailed review, the board took the strategic decision to implement JM Global Solutions.

Stakeholder considerations

Suppliers

Moving our source-to-pay services to JM Global Solutions gives us the opportunity to simplify and clarify our procurement processes and systems.

Our people

Transforming our culture and the way we operate impacts our people. Moving a range of activities from our local human resources, finance and procurement teams to JM Global Solutions means reducing the size of our local teams, whilst providing the opportunity to simplify our processes to support our people in getting things done during their JM life cycle, from recruitment to retirement. We understand the impact that transformation can have. To support our people and build understanding of this change, we are in regular communication with our people, we are holding redeployment workshops and we have made toolkits and assistance programmes available.

Investors

Through regular updates we are closely monitoring the roll-out of JM Global Solutions. This allows us to challenge management and ensure that we achieve the benefits of JM Global Solutions as quickly as possible for our investors and wider stakeholders, whilst minimising disruption to our business.

Outcomes and impact on our long-term success

We believe that this way of operating will result in a better experience for our suppliers, colleagues and investors. It offers an effective solution for process delivery and can help create more structure and standardisation, less duplication and clearer accountabilities, supporting us to become simpler, more agile and more cost-effective.

"To be successful, every business needs to adapt and change. We are no exception. JM Global Solutions represents a new way of working for everyone. It means us doing some things differently in return for doing them better."

Peter Hill, Group Global Services and Transformation Director

Deepening our relationships

JM's first global supplier convention

In November 2023, the Procurement team hosted our first ever global supplier convention, bringing together senior representatives from our key suppliers and JM business stakeholders. This event, themed 'Play to Win Together', provided an opportunity to connect our suppliers with our JM strategy. It also allowed us to refresh our dialogue to collaborate with transparency and strategic intent, share knowledge and insights to anticipate market uncertainty and supply chain risks, and unlock future value.

Stakeholder considerations

Customers	Investing in and developing our supplier relationships is key to building a robust supplier ecosystem to deliver for our customers through more resilient and sustainable supply chains.
Investors	The delivery of sustainable profitable growth requires a strong supplier ecosystem. The board considered that having the right business partnerships with our suppliers would positively contribute to investors' long-term returns.
Communities and society	We have been evaluating our suppliers through EcoVadis, our sustainability rating provider, to better understand their performance in human rights and health and safety, as well as their journey to net zero. Improving JM's supplier relationships enables us to collaborate to reduce wastefulness, embed circularity, adopt sustainable practices, ensure an ethical value chain and maintain the highest standards in procurement.
Suppliers	Our global supplier conference signifies a step change in how we work with our key suppliers. It illustrates how much we value their commitment to JM. It promotes engagement and collaboration to evolve from transactional relationships to true business partnerships, in unlocking value and ensuring a resilient, ethical supply chain.

Outcomes and impact on our long-term success

This inaugural convention was such a success that we intend to make it a regular occurrence. The collaborative dialogues and ideas generated during this event have developed into projects to deliver practical solutions to enhance JM's responsible sourcing, whilst driving profitable revenue growth to support our customers in catalysing the net zero transition.

Delivering on our milestones

Divestment of Medical Device Components

Through our strategic review, Medical Device Components (MDC), a business producing components for medical device manufacturers globally, with a focus on precious metal alloys and nitinol, was identified as non-core to JM's growth strategy. In March 2024 we announced the sale of MDC to Montagu Private Equity.

> "This deal supports the delivery of one of JM's strategic milestones, the divestment of Value Businesses."
>
> Louise Melikian, Chief Strategy and Corporate Development Officer

Stakeholder considerations

Investors	To create long-term value for our shareholders through profit growth and improved margins, we need to invest in growth. The board's decision to divest MDC supports our strategy of playing to win in exciting growth markets where our core competencies and technology portfolio can have maximum impact. This transaction provides investment for growth for the benefit of our investors. As previously announced, and in line with our stated capital allocation policy, it is the board's current intention to return to shareholders £250 million of the net sale proceeds by way of an on-market share buyback programme, subject to completion of the sale.
Our people	Transforming JM into a leading global energy transition company requires us to take difficult decisions. The board considered the strategic review recommendation to divest MDC and whilst it is hard to let go of our colleagues, we have found a good fit for MDC to grow and develop its already strong and profitable business, led by Montagu Private Equity's strong and committed leadership team.

Outcomes and impact on our long-term success

This sale is expected to complete by autumn of 2024 and at completion will deliver cash consideration of US$700 million (£550 million) to the business. This transaction supports the simplification of our business and one of our strategic milestones, the divestment of Value Businesses. Delivering in these areas ensures we are positioned to create long-term value to support our transformation into a leading global energy transition company.

Societal Value Committee report

Membership

Jane Griffiths (Chair)
Liam Condon
Barbara Jeremiah
Rita Forst
John O'Higgins
Stephen Oxley

→ Members' attendance at committee meetings during the year is on page 77

→ Details of changes to the committee's membership are set out on page 93

Other regular attendees at committee meetings

- Chief Sustainability Officer including Communications and Government Affairs
- Chief HR Officer
- General Counsel and Company Secretary

The Committee's Terms of Reference set out its full responsibilities: matthey.com/governance-framework

Sustainability disclosures

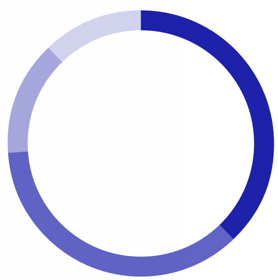
- The committee reviewed and recommended to the Board the approval of the disclosures in the Sustainability report on pages 34-52, including our TCFD disclosures on pages 53-61.

Sustainability Performance Data Book: matthey.com/sustainability-databook

Now in its third year, the Societal Value Committee has continued to support the board by providing challenge and rigour to our sustainability strategy. The committee received regular updates on performance towards achieving our ambitious sustainability targets for 2030. These targets build upon our inspiring science and innovation to support the energy transition that will benefit society. The committee has been pleased with the progress made to reduce our Scope 1 and 2 greenhouse gas (GHG) emissions by 44%, in part due to the efforts to switch to renewable electricity, and by the SBTi's validation of our near-term and long-term ambitions. We also discussed the importance of further embedding circularity in what we do, as exemplified by a new methodology to provide 100% recycled PGMs to selected customers and innovation in recycling. Circularity is one of the pillars of our Nature strategy, which we reviewed this year. This will ensure that climate, circularity and nature are at the forefront of our operations and sourcing strategy in order to achieve our targets.

In addition, the committee was kept informed of how we engage with stakeholders on sustainability, both with our colleagues (e.g. through the Sustainability Champions network or through volunteering) and external stakeholders. The committee reviewed evolving external trends related to sustainability, in particular upcoming ESG reporting requirements, and discussed the plan to ensure JM meets these requirements.

How the committee spent its time in 2023/24



Sustainability	38%
People	36%
Ethics	14%
Governance	12%

During this period of transformation, it is important that our commitment to sustainability embraces a holistic approach and I am pleased that the committee's role has been expanded to monitor culture across the organisation. Our success and future growth are intrinsic to the culture that we promote and the committee spent time reviewing the cultural transformation and agreed how this should be monitored going forward. Our culture is underpinned by the highest ethical standards in everything we do. The committee continues to spend time at each meeting monitoring ethics and compliance trends, material Speak Up cases and reviewing ethical dilemmas on JM fact patterns that provide examples of how we adhere to our values.

> "Sustainability has remained at the heart of JM as we undergo our transformation."

But monitoring culture is not enough. As board members, we need to see and experience this for ourselves and the committee has reviewed the mechanisms for the board to engage directly with the workforce. This mechanism provides a two-way dialogue between our workforce and the board, so we can understand the topics that really matter to our colleagues.

Our externally-led committee effectiveness review for 2024 showed that the committee has risen into a substantial forum from its inception and continues to operate well. The committee will keep the scope of its responsibilities under review throughout the year, to ensure these remain appropriate and support our board objectives.

Jane Griffiths
Societal Value Committee Chair

The committee's role

Societal value covers a range of economic, social and environmental topics. Given the central role of sustainability to our overall strategy, the committee was established in 2021 to bring continued focus to this area. The committee assists the board in overseeing the group sustainability strategy, including net zero commitments and science-based GHG targets, monitoring culture and driving a truly inclusive organisation, overseeing the group's ethical conduct, and keeping up to date with societal value topics, including stakeholder expectations.

Information on the governance of sustainability matters beyond the committee's role can be found within our TCFD disclosures on page 53.

Committee outcomes

The outcomes of the committee's key activities during the year included:

- Challenged sustainability performance data and agreed on adjustments to our 2030 targets
- Agreed and recommended to the Remuneration Committee sustainability targets for the next three years for incorporation into our Performance Share Plan
- Reviewed Scope 1,2 and 3 GHG footprint including the levers to reach our reduction targets by 2030
- Refreshed our responsible sourcing principles
- Reviewed our updated roadmap to meet our net zero commitment by 2040
- Agreed a new nature strategy, reflecting our commitment to nature protection
- Provided feedback on work to integrate sustainability into engineering and capital projects
- Received an update on the cultural transformation and agreed the form of a dashboard to monitor culture
- Agreed the mechanism for the board's engagement with the workforce
- Challenged progress in respect of diversity, inclusion and belonging
- Received regular horizon scanning updates, including future sustainability reporting requirements and benchmarks
- Received updates on ethics and compliance matters, including Speak Up trends, ethical dilemmas and ethical culture heatmaps
- Reviewed the Speak Up process and agreed this was effective
- Agreed to recommend the Modern Slavery Statement 2023 to the board for approval
- Discussed the results of the external committee effectiveness review and agreed related actions.

Culture

During the year, it was agreed that the committee's responsibilities would expand to monitor culture across JM. A high-performing culture generates and protects value, supporting our strategy to achieve our purpose of catalysing the net zero transition. Our cultural transformation is centred on three pillars: people growth, customer focus and simplification.

The committee considers multiple sources to assess the strength of culture and understand employee sentiment through regular reporting and metrics, including:

- Feedback from the board's direct interaction with the workforce, through engagement forums, site visits and interactions with management
- Bi-annual reviews of the cultural dashboard

Governance in action: our cultural dashboard

Our cultural dashboard enables the committee to track progress of our cultural transformation.

During the year, the committee agreed the form of a cultural dashboard comprising data relating to the key dimensions of the 'Play to Win' behaviours. The dashboard acts as a check for the committee on the cultural context in which our colleagues work, and allows us to identify any areas of misalignment and take appropriate action.

Transformation pillar		How we measure it
People growth	**Accountability** **Performance** **People growth**	Quarterly and annual 'Play to Win' employee engagement survey results
	Inclusiveness	Annual 'Play to Win' engagement survey results Gender diversity
	Engagement	Annual 'Play to Win' engagement survey results
	Voluntary attrition	Voluntary attrition
	Safety	Quarterly total recordable incident rate
Simplification	**Simplification**	Quarterly and annual 'Play to Win' engagement survey results
Customer centricity	**Customer focus**	Net Promoter Score

→ Read more about the changes to our sustainability targets and our cultural transformation on pages 13 and 35.

- Updates from the Chief HR Officer on the progress to create a diverse, inclusive and engaged company, and the workstreams to support the cultural transformation
- Regular Speak Up reports and heatmaps to indicate the ethical culture at key sites.

Engagement with the workforce

Engaging with the workforce at all levels allows the board to understand the culture, issues and challenges across our business.

During 2022/23, the engagement forums led by non-executive directors in key countries where we operate were paused, to allow for direct engagement between management and employees on the refreshed strategy and cultural ambition. During the year and on behalf of the board, the Committee reflected upon the workforce engagement methods specified by the UK Corporate Governance Code 2018 and agreed that the global and diverse network continued to require a different approach. The committee agreed that the engagement forums in key countries should be re-established but in a simplified form to encourage open and honest conversations.

During the year and up to the date of this Annual Report and Accounts, engagement forums have been held in the UK, China and the US, comprising diverse colleagues from different businesses, functions, job types, ages and tenures. These face-to-face sessions included informal discussions between approximately eight colleagues and a non-executive director. These centred on the understanding of JM's transformation journey, opportunities to improve engagement and how enabled colleagues feel to deliver in their role. To support unconstrained dialogue, it was important that local management were not present for the forums. The directors shared their feedback from the engagement forums with the committee and applicable senior leaders. The non-executive directors have also collectively met with colleagues over lunch as part of the board agenda, following similar principles to the engagement forums.

The committee intends to continue its approach to workforce engagement and will look to hold engagement sessions in other countries during 2024/25. Alongside this, the board continues to engage with colleagues via site tours, face-to-face discussions at meetings and attendance at employee events.

Governance in action: board attendance at employee engagement sessions

Country	Director	Insight from engagement sessions
UK	Jane Griffiths Doug Webb	• Company-wide communication has improved, including through global town halls but with a desire for more direct feedback and communication from line managers. • Whilst there is a significant focus on people, more could be done to facilitate cross-business interactions and learnings. • Wellbeing is paramount at a time of change and should remain high on the agenda.
China	Xiaozhi Liu	
US	Barbara Jeremiah	

Nomination Committee report

Membership

The committee comprises the Chair and all independent non-executive directors.

→ Members' attendance at committee meetings during the year is on page 77

→ Details of changes to committee membership are set out on page 93

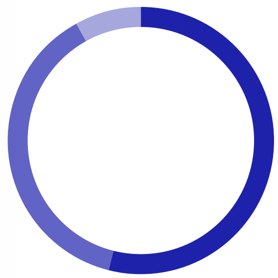
Other regular attendees at committee meetings

- Chief Executive Officer
- Chief HR Officer
- General Counsel and Company Secretary

The Committee's Terms of Reference set out its full responsibilities: matthey.com/governance-framework

"The committee continues to support long-term success and ensures effective succession planning is in place for all directors."

How the committee spent its time in 2023/24



Board and committee composition	54%
Executive succession (GLT)	38%
Governance	8%

This year, a key focus for the committee has been succession planning, for both the board and Group Leadership Team (GLT), whilst ensuring the board and its committees have the collective skills needed to oversee JM's transformation. Chris Mottershead retired from the board in January 2024, having been a director for nine years. The committee monitors the tenure of non-executive directors closely to ensure effective succession planning and we strengthened the board's composition with the appointment of Barbara Jeremiah as an independent Non-Executive Director in July 2023. You can read more about Barbara's induction to JM on page 94.

The committee spent time on executive succession to ensure we have the right leaders to deliver our transformation and to support the long-term success of the company, and we oversaw a number of changes to the GLT.

The committee recognises the importance of diversity in driving meaningful change across JM. This includes the board, and the committee was pleased to increase its board diversity targets in line with the FCA's Diversity Listing Rules.

Simplification is a key part of our transformation and there are opportunities to be realised in all areas of the organisation. You can read more about how we simplified our committees on page 93.

Our externally-led board and committee effectiveness review for 2023/24 (see pages 82 and 83) confirmed that our discussions are open and honest, with an atmosphere of trust. During 2024/25, the committee intends to focus on medium to longer term succession planning, considering the skills needed to support our strategy.

Patrick Thomas
Nomination Committee Chair

Governance in action: simplifying our governance

During the year the committee considered the composition of the board committees. Whilst there have been benefits to having all non-executive directors as members of all committees, it was felt that there were opportunities to simplify this. The committee considered the skills, experience, knowledge and diversity when recommending committee membership to the board. The board approved the proposal, which took effect from 2nd January 2024. The composition of each committee as at 31st March and the date of this report is set out on page 81.

To create further efficiencies, it was also agreed to reduce the number of board and committee meetings, with more committee meetings being held virtually and separated from the board meetings. This gives the committee chairs increased flexibility in terms of time and how they manage the agendas.

Committee outcomes

The committee ensures JM is led by a diverse, high-quality board, with the appropriate skills, knowledge and experience to ensure our long-term success. The outcomes of the committee's key activities during the year and up to the date of this report include:

- The appointment of Barbara Jeremiah as an independent Non-Executive Director and Senior Independent Director
- Changes to the composition of the board committees as outlined in the board composition changes during the year timeline
- Changes to the composition of the GLT, including the appointments of:
  - Simon Price as General Counsel and Company Secretary
  - Maurits van Tol as Chief Executive Officer, Catalyst Technologies
  - Liz Rowsell as Chief Technology Officer
  - Louise Melikian as Chief Strategy and Corporate Development Officer
  - Peter Hill as Group Global Services and Transformation Director
- Increased responsibilities for Mark Wilson, Chief Executive, Hydrogen Technologies.

Board composition

The committee regularly reviews the composition of the board and its committees to ensure there is an appropriate balance of skills to support the company's strategy. This is facilitated via an assessment of the board's collective skillset by asking each non-executive director to identify their strengths, scoring their level of expertise on a scale of one to five. The table on page 77 shows the skills held by our non-executive directors that are most relevant to their role at Johnson Matthey. This year's externally-led board and committee effectiveness review, as detailed on pages 84-85, included an appraisal of each director, their contributions and any areas for further development. These individual reports were shared with the Chair to support a discussion on any gaps that can be addressed through future appointments or additional training.

The committee is satisfied that each director continues to effectively contribute to the board and fulfil their duty to promote the success of the company. The board and committees include a strong mix of experienced individuals who provide constructive challenge to all discussions. All directors have demonstrated a strong commitment to their roles and careful consideration is given to external appointments, to ensure sufficient time can be dedicated to their roles on our board and committees.

Board composition changes during the year

June 2023

- Appointment of Simon Price as General Counsel and Company Secretary

July 2023

- Appointment of Barbara Jeremiah as independent Non-Executive Director and Senior Independent Director
- Appointment of John O'Higgins as Chair of the Remuneration Committee

November 2023

- Review of membership of Audit, Remuneration and Societal Value committees

January 2024

- Focused membership of Audit, Remuneration and Societal Values committees became effective
- Chris Mottershead stepped down from his role as independent Non-Executive Director.

Succession planning

Board

In January 2024, having achieved a nine-year tenure, Chris Mottershead stepped down from the board. Ahead of his retirement, the committee spent time discussing the skills and expertise of the board and recommended that a further non-executive director be appointed to the board as Senior Independent Director. The committee sought an individual with experience of strong leadership and delivering transformation programmes and an understanding of the US commercial market. Egon Zehnder, a third-party search and recruitment specialist, assisted with the search. Following evaluation of the final short list of candidates, the committee recommended Barbara Jeremiah's appointment. It was felt that Barbara's understanding of metals, along with her investor experience, would enhance the board's deliberations. Details of Barbara's induction are set out on this page.

GLT

The committee also oversees succession planning for senior leadership roles and talent development to build capability for the future. The committee reviews the internal pipeline of candidates for immediate and medium to longer-term movement to leadership roles. This is routinely challenged to ensure the committee understands the breadth of potential and to balance internal succession planning with the need for external perspectives.

During the year, the committee oversaw the appointments of Simon Price as General Counsel and Company Secretary, Liz Rowsell as Chief Technology Officer, Louise Melikian as Chief Strategy and Corporate Development Officer and Peter Hill as Group Global Services and Transformation Director.

The committee also oversaw the appointment of Maurits van Tol as Chief Executive, Catalyst Technologies, who previously held the role of Chief Technology Officer, and the increase in responsibilities for Mark Wilson, Chief Executive, Hydrogen Technologies, to respect of group-wide EHS and engineering matters.

Turning to the year ahead, the committee intends to focus on board succession to ensure an orderly and diverse succession plan is in place for key roles.

During the year, Egon Zehnder provided senior-level recruitment services, including assessment and people development services. Egon Zehnder has no other connection with the company or any other directors.

Diversity and inclusion

The committee continues to drive the diversity agenda across JM. A diverse and inclusive organisation is fundamental to our vision, and our Board Diversity Policy ensures that the tone is set from the top.

Following our commitment last year to meet the FCA's Diversity Listing Rules target, and the appointment of Barbara Jeremiah, the targets were successfully met.

In April 2024, the committee reviewed our Board Diversity Policy and refreshed its objectives to reflect the requirements of the FCA's Diversity Listing Rules, FTSE Women Leaders and Parker Reviews and to maintain:

- 40% of women on the board
- at least one woman in the chair or senior independent director role
- one director from an ethnic minority group.

Our Board Diversity Policy is applied consistently across all board committees.

Details of gender and ethnic representation as prescribed by Listing Rule 9.8.6 are set out in the tables on page 95. The board and GLT members confirmed their gender and ethnicity for the purpose of collecting these data.

Board Diversity Policy: matthey.com/board-diversity

The board also supports the terms of the Enhanced Voluntary Code of Conduct for executive search firms. All our appointed executive search firms are required to secure a diverse longlist of candidates, including Black, Asian and minority ethnic talent.

Beyond the board, we aspire to have gender balance across all levels of the group. One of our key milestones is to achieve greater than 40% of female representation across professional management by 2030 and we are on track to achieve this. While gender diversity has improved we want to accelerate the pace of change.

Further details on how we are improving diversity across the group, the gender balance of senior management and our Diversity, Equity, Inclusion and Belonging Policy are set out on page 47.

Governance in action: director inductions

All new directors receive a tailored comprehensive induction programme upon joining the board including reading material and meetings with colleagues. Barbara Jeremiah's induction plan comprised a balance of knowledge-based sessions in addition to site visits to provide exposure to JM's business, working environment and culture.

Barbara Jeremiah induction programme

Areas covered	Sessions by
Strategy, financial performance, investor sentiment	Chief Executive Officer Chief Financial Officer
Business introductions	Chief Executive, Clean Air Chief Executive, PGM Services Chief Executive, Catalyst Technologies Chief Executive, Hydrogen Technologies
Corporate governance and board operations	General Counsel and Company Secretary
Legal views of the external environment	General Counsel and Company Secretary
Site tours	Site leadership teams
Employee interactions	Site-based colleagues

When considering any future appointments the committee will continue to make recommendations in consideration of our Board Diversity Policy.

Nomination Committee report continued

Gender representation as at 31st March 2024

	Number of board members	% of the board	Number of senior board positions (CEO, CFO, SID, Chair)	Number in executive management[1]	% of executive management
Men	5	56	3	9	69
Women	4	44	1	4	31
Other categories	0	0	0	0	0
Not specified/prefer not to disclose	0	0	0	0	0

Ethnic representation as at 31st March 2024

	Number of board members	% of the board	Number of senior board positions (CEO, CFO, SID, Chair)	Number in executive management[1]	% of executive management
White British or other White (including minority-white groups)	8	89	4	11	84
Mixed/Multiple Ethnic Groups	0	0	0	1	8
Asian/Asian British	1	11	0	1	8
Black/African/ Caribbean/Black British	0	0	0	0	0
Other ethnic group, including Arab	0	0	0	0	0
Not specified/ prefer not to say	0	0	0	0	0

1. Executive management includes all members of the GLT.

Audit Committee report

Membership

Doug Webb (Chair)*
Rita Forst
Jane Griffiths
John O'Higgins
Barbara Jeremiah

* Doug Webb, our Committee Chair, is a chartered accountant who brings a wealth of recent and relevant financial experience, including acting as Chief Financial Officer at the London Stock Exchange Group, QinetiQ and Meggitt.

→ Members' attendance at committee meetings during the year is on page 77

→ Details of changes to the committee's membership are set out on page 93

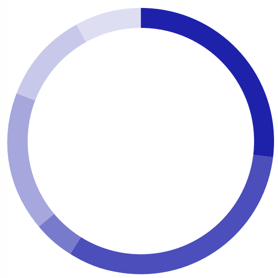
Other regular attendees at committee meetings

- Chair of the board
- Chief Executive Officer
- Chief Financial Officer
- General Counsel and Company Secretary
- Director of Assurance and Risk
- Group Financial Controller
- PwC audit partner

During the year, the committee has focused on identifying risks and monitoring the controls in place to support JM's transformation strategy. This report covers the committee's work in relation to financial reporting, internal financial controls, internal control and risk management systems, and the relationship with our external auditor.

The committee met three times during the year, with members of senior management present as and when appropriate. The committee meets with the external auditor and the Director of Assurance and Risk separately during the year without management present. In addition, the committee chair holds regular private sessions with the Chief Financial Officer, senior members of the finance team, the Director of Assurance and Risk, and the external auditor, to ensure that open and informal lines of communication exist should they wish to raise any concerns outside formal meetings. In November 2023, the committee approved an annual agenda plan which is linked to the company's financial calendar. The agenda is flexible, enabling in-depth reviews of topics of particular importance to the committee.

How the committee spent its time in 2023/24



External Audit	27%
Financial reporting	32%
Governance/regulatory updates	5%
Internal Audit	17%
Internal control and risk management	11%
Narrative reporting/sustainability	8%

"The Audit Committee plays a vital role in identifying risks and monitoring the controls in place, to help the group to achieve its transformation strategic objectives."

The role of the committee

The committee continues to support the business in achieving its transformation strategic objectives (see pages 14 to 15). During the year, the committee supported the board on a number of governance matters relating to financial reporting and internal controls.

The committee's principal responsibilities are:

- To monitor the integrity of the reported financial information, reviewing significant financial considerations and judgements.
- To review the group's internal control and risk management systems and monitoring the effectiveness of the group assurance function.
- To oversee the relationship with the external auditor including monitoring their independence and objectivity, reviewing and approving external audit fees, recommending reappointment or not, and ensuring a high-quality, effective audit, based on a sound plan.

The committee's Terms of Reference set out its full responsibilities: matthey.com/governance-framework

Audit Committee report continued

In addition to its regular activities the committee focused on a number of key areas this year:

- Oversight of the group's integrated assurance project, to consolidate and map assurance activities, with internal audit aligning with the JMGS programme to provide assurance over the new ways of working.
- Monitored the ongoing transformation of group finance.
- Approved the level of assurance over sustainability-related disclosures in the Annual Report and Accounts.
- Reviewed JM's cyber readiness and challenged management's identification and remediation of specific cyber control gaps.
- Challenged management on lessons learnt from previous strategic changes.
- Reviewed and responded to upcoming regulatory changes.

During the year, the committee continued to play a key role in assisting the board in its oversight responsibility and monitoring the integrity of the financial information. This has included challenging management on the significant accounting judgements made in the financial reporting, as well as reviewing the analysis behind our going concern and viability statements and considering the processes that underpin the preparation of the Annual Report and Accounts.

The committee received regular updates at each meeting from the Director of Assurance and Risk, covering the control and risk management framework and internal audit reviews. The committee continued to oversee the programme assurance activities, receiving regular updates on the progress of key programmes. See Governance in action on page 97 for more information.

→ Read more about the Audit Committee outcomes during 2024 on pages 98-99

Our response to regulatory changes

We continue to track developments with the UK Government's corporate governance reforms and consider management's plans to respond to the evolving requirements, in readiness to adapt to the changes in forthcoming years.

In May 2023 the Financial Reporting Council (FRC) published a Minimum Standard for Audit Committees (the Minimum Standard) in relation to external audit. The committee reviewed the four main areas of focus of the Minimum Standard, in conjunction with the current UK Corporate Governance Code (2018 Code) and the FRC Guidance on Audit Committees, and determined that the Terms of Reference needed to be updated to refer to the Minimum Standard.

The committee is reviewing the implications of the FRC's recently published 2024 UK Corporate Governance Code (2024 Code) and identifying any actions JM needs to take to ensure compliance and enhance the internal control frameworks. A key substantive change in the 2024 Code is the requirement for the board to include a declaration in the Annual Report and Accounts on how it has carried out the review of the effectiveness of the company's risk management and internal controls framework and their conclusions. This new requirement for a board declaration in the Annual Report and Accounts will come into effect for JM in the financial year starting 1st April 2026.

In August 2023, the UK Government published information on its framework for creating UK Sustainability Disclosure Standards (UK SDS) based on the ISSB Standards which set out corporate disclosures on the sustainability-related risks and opportunities that companies face. The standards will form the basis of any future requirements in UK legislation or regulation for companies to report on risks and opportunities relating to sustainability matters, including those arising from climate change. Although the ISSB Standards will not replace the TCFD disclosure framework immediately, the ISSB Standards will be considered now to build them into future plans.

The aligned assurance approach contained within the Group Assurance and Risk (GAR) plan will help move JM towards the assessment of the effectiveness of risk management and internal controls. Although references to the Audit & Assurance Policy (AAP) have not been included in the 2024 Code, the committee will continue to review and update the internal AAP, because it is important to document how the board obtains assurance over JM's risks and external reporting.

Governance in action: lessons learnt and missed opportunities

Successful transformational change is an integral part of our business strategy. JM has embarked on a programme of work that will take several years to complete, and to support this, our internal audit team has adapted its engagement with these programmes, seeking innovative ways to proactively support programme delivery by providing timely insights.

A work stream undertaken by internal audit, that was recognised by the board and senior management as being of significant benefit, was a review of previous major change programmes delivered by JM, specifically Unify, a programme delivering global, standardised Enterprise Resource Planning (ERP) processes, data and systems across JM. Internal audit identified themed lessons learnt, taking into consideration other key transformation programmes. These lessons learnt were widely shared, from board and GLT level, down through the organisation to those running current programmes.

An example where we demonstrated lessons learnt from Unify was the JM Global Solutions (JMGS) programme where engagement on risk assurance has brought transparency and improvement to the governance rigours employed by the programme teams. Another example was the engagement on the capital projects assurance, on which GAR presented a summary of lessons to be learnt from the delivery of five previous projects. The findings from this work, together with work conducted by an independent specialist third-party assurance provider, enable the project teams to drive tangible improvements in the processes and controls of current projects.

Given the importance of sustainability to JM, whilst the 2024 Code does not include wider responsibilities and considerations for the board and audit committee in relation to sustainability objectives and other sustainability matters, the committee will continue to review and assess the sustainability goals and targets recommended by the Societal Value Committee to ensure they remain measurable and assurable.

The Institute of Internal Auditors' (IIA) mandatory 2024 Global Internal Audit Standards were published in January 2024, and will apply to JM from April 2025. During 2024/25 the committee will review the standards as a basis for evaluating and elevating the quality of our internal audit function.

Committee effectiveness

The externally facilitated board and committee effectiveness review for 2024 (see page 84) concluded that the committee continues to operate effectively, while recognising certain areas may benefit from further development. These include managing the ever-growing agenda to ensure appropriate focus on the most important topics, continued focus on the group's evolving internal control systems, in particular the maturing of assurance plans over non-financial data, and monitoring the evolution of the internal audit function. These will be considered in the forthcoming financial year.

Doug Webb
Audit Committee Chair

Committee outcomes

Financial reporting

- At the conclusion of the Annual Report and Accounts 2023, the committee reviewed the process, including challenges and what went well, and agreed actions to improve the process for the following year.
- Reviewed the group's financial statements and results announcements, with consideration given to the appropriateness of accounting policies and critical accounting judgements. Recommendations were made to the board supporting the half and full-year accounts and financial statements.
- Reviewed credit controls and risks in the context of continuous challenging market conditions.
- Reviewed management's consideration of the various FRC thematic reviews and guidance for financial reporting.
- Reviewed our operating metal framework, developed by management in response to a request from the Committee.

Narrative reporting

- Considered the viability and going concern statements and their underlying assumptions, evaluating going concern over an 13-month period, which included a review of financial plans and assumptions, access to financing and the challenging economic environment and the adaptability of financial plans. The committee also considered the appropriateness of a three-year viability assessment period after modelling the impact of certain scenarios arising from the group's principal risks.
- Reviewed and approved the enhancement of the process of verification of the contents of material statements contained in the non-financial and narrative reporting within the Annual Report and Accounts 2024, and approved the scope of, and provider of, external assurance over sustainability data.

Internal control and risk management

- Oversight of significant work performed on business controls across several key processes, and independent testing of those controls, providing more confidence on improvements in the control environments and a focus on remediation efforts. The committee has oversight of the changing control environment resulting from the transformation. In particular the move to JMGS is a critical change for JM and as a new way of working is pivotal for our controls culture.
- Challenged management to resolve issues relating to internal controls and risk management systems. Following a site extended audit performed by internal audit, the committee provided feedback to the Clean Air business on its risk control environment and the improvements made.
- Technology assurance is an area where the committee has challenged management to identify specific cyber control gaps, where remediation would provide the greatest level of risk reduction, and improve controls (in particular Operational Technology, our technology infrastructure that drives manufacturing equipment).
- Reviewed and approved changes related to controls and liquidity in the group's precious metals policy.
- Considered and agreed with management's determination that there were no significant control weaknesses or lack of adherence to policies and procedures identified.
- The committee met with the Group's new head of tax and reviewed tax risks and mitigation plans around both direct and indirect taxes.

External audit

- After due challenge and discussion, the committee agreed the scope of the external audit process prior to commencement of the 2024 audit. The committee appraised the effectiveness and performance, independence and objectivity of PwC, our external auditor, approved the external audit fees and terms of engagement, reviewed and approved non-audit services and kept under review the Non-Audit Services Policy.
- Determined that a good quality, comprehensive audit was completed for FY2023/24, following a review of PwC's regular reports to the committee, and feedback from PwC's independent quality review partner. As a result, the committee recommended PwC's re-appointment.
- The committee approved the proposal from management for six subsidiaries within the group to apply for an audit exemption by way of a parent guarantee under the Companies Act 2006. This decision would result in a cost saving for the group, and the removal of the external audit process and associated internal administration. The committee reviewed the additional controls required to be established to maintain high-quality accounting standards.

Internal audit

- Following regular reports from the Director of Assurance and Risk, the committee determined that risk management and internal controls effectively meet the group's needs and manage risk exposure.
- Monitored progress against the 2023/24 GAR plan, which focused on execution against its four pillars and agreed the 2024/25 plan.
- Assessed the results of a programme review carried out by GAR and group IT, with 'lessons learnt' recognised and to be reflected in the design and implementation of current and future transformation programmes, to ensure they are delivered in an optimal way. See Governance in action: JMGS on page 82 for more information.
- Oversight of the internal audit team delivering a comprehensive set of assurance across four pillars, being operating site reviews, key areas of business and financial risk including cyber, IT enabled changes and business transformation. The function has also progressed the aligned assurance mapping and has been engaged with JMGS to provide assurance over new ways of working.

Sustainability

- Reviewed the sustainability assurance framework and concluded that it continued to deliver against what was agreed by the committee in 2022. The framework will continue to apply and evolve in line with upcoming regulations, with updates provided to the committee and an annual review included in the committee's annual planner.
- In understanding the need for transparency and accuracy of our sustainability data, in conjunction with the Societal Value Committee, the committee agreed to appoint an independent third party, which, in conjunction with internal audit, provided limited assurance to ISAE3000 for selected sustainability data in our Annual Report and Accounts 2023. The committee reviewed the interim and final assurance certificates which concluded that the 2022/23 selected information presented in the Annual Report and Accounts 2023 was fairly stated, in all material respects, in accordance with the reporting criteria.
- Ensured the Task Force on Climate-related Financial Disclosures (TCFD) recommendations were incorporated into the Annual Report and Accounts 2023 as appropriate, following an assessment by management of how the considerations of TCFD impacted the financial accounts. Those areas within the accounts which are likely to be impacted by climate change disclosures are continuously monitored.

Governance and regulatory updates

- Remained well-informed of key regulatory developments relating to audit committees, such as the FRC Minimum Standard for audit committees, the Spring Report, Restoring trust in audit and corporate governance, and the 2024 Code.
- Reviewed and approved JM's submission to the FRC in response to its UK Corporate Governance Code Consultation published in May 2023, following a review of the consultation paper and the associated questions led by a cross-functional working group.

Financial reporting

Significant issues considered by the committee in relation to the group's and company's accounts

It is a fundamental part of the committee's role that we act independently from management to ensure that the interests of shareholders are properly protected in relation to financial reporting. When the accounts are being prepared, there are areas where management exercises a particular judgement or degree of estimation. The committee assesses whether the judgements and estimates made by management are reasonable and appropriate. In the process of applying the group's accounting policies, management also makes judgements and estimates that have a significant effect on the amounts recognised in the financial statements. The group's key accounting judgements discussed and challenged by the committee are set out below.

Significant current year considerations in relation to the accounts	Work undertaken / outcome
Impairment of goodwill, other intangibles and other assets Key judgements are made in determining the appropriate level of cash generating unit (CGU) for the group's impairment analysis. Key estimates are made in relation to the assumptions used in calculating discounted cash flow projections to value the CGUs containing goodwill, to value other intangible assets not yet being amortised, and to value other assets when there are indications that they may be impaired. The key assumptions are management's estimates of budgets and plans for how the relevant businesses will develop or how the relevant assets will be used in the future, as well as discount rates and long-term average growth rates for each CGU.	We reviewed a report from management explaining the methodology used, assumptions made, and significant changes from those used in prior years. In light of the current volatile macroeconomic environment, including high interest rates and energy costs, management considered the impact within underlying forecasts and discount rates. We challenged management on the rationale behind the key assumptions and sensitivities such as discount rates and growth rates in the goodwill value in use calculations, especially within Clean Air and Catalyst Technologies, to ensure we were satisfied on their reasonableness. The impairment reviews were an area of focus for PwC who reported their findings to us. We concluded that management's key assumptions and disclosures are reasonable and appropriate.

Significant current year considerations in relation to the accounts	Work undertaken / outcome
Major impairment, restructuring activities and transformation costs Key judgements in relation to impairment testing relate primarily to estimates in assessing recoverable value. Key judgements in relation to restructuring provisions related to estimates of future cost and the disclosures relating to transformation costs.	We reviewed a report from management outlining the work carried out to assess the carrying value of the Hydrogen Technologies CGU following an impairment indicator that the recent slowdown in growth within the hydrogen and fuel cell market required a formal review for possible impairment. The assessment considered the net present value of the post-tax cash flows expected to be generated by the CGU. The approach involved an estimation of future cash flows and a selection of appropriate key assumptions including growth and discount rates. Management concluded that no impairment was required to be recognised. We challenged management on the rationale behind the key assumptions and the methodology applied to assess the carrying value of the CGU. We concluded that management's key assumptions and disclosures are reasonable and appropriate. We received a report from management explaining the basis of recognition and estimate for impairments and restructuring/transformation costs. The report also detailed how transformation related costs reconciled back to previously announced transformation programmes. We challenged the rationale behind the presentation of the costs as non-underlying, with particular focus on areas that required judgement around recognition. We concluded that management has appropriately accounted for, and disclosed the impacts from major impairment and restructuring activities (see note 6 in the annual report).

Significant current year considerations in relation to the accounts	Work undertaken / outcome
Loss on disposal of businesses and businesses classified as "held for sale". Key judgements in relation to assessing the fair value less costs to sell of businesses classified as "held for sale".	We reviewed and discussed the accounting for the following disposals: On 15th June 2023, the group completed the sale of Johnson Matthey Catalysts LLC for a cash consideration of £11 million. On 29th September 2023, the group completed the sale of its Diagnostic Services business for an enterprise value of £55 million (£47 million on a debt free basis after working capital adjustments). On 31st December 2023, the group completed the sale of the trade and assets (excluding cash) of its Battery Materials Germany business for a cash consideration of £1 million. The group recorded £9 million of disposal related costs. This is comprised of £7 million for the disposals of Medical Device Components (£5 million) and Battery Systems (£2 million) which were signed during the year, and £2 million in relation to disposals in prior years. We concluded that management's key assumptions and disclosures on the loss on disposal of businesses above were reasonable and appropriate. We also considered the assessment in arriving at the fair value less costs to sell of the Battery Systems business and agreed management's classification as "held for sale" was appropriate and that a £45 million impairment was required. We agree with management's assessment to also classify Medical Device Components and Battery Materials Poland as "held for sale".

Significant current year considerations in relation to the accounts	Work undertaken / outcome
Refining process and stocktakes When agreeing commercial terms with customers and establishing process loss provisions, key estimates are made of the amount of precious metal that may be lost during the refining and fabrication processes. Refining stocktakes involve key estimates regarding the volumes of precious metal-bearing material in the refining system and the subsequent sampling and assaying to assess the precious metal content.	We received a report from management summarising the results of the refinery stocktakes in the US. The report was reviewed to ensure that the results were in line with expectations and historic trends. The refining process and stocktakes were an area of focus for PwC who reported their findings to us. We concluded that management's accounting for refining stocktake gains and losses was in accordance with the agreed methodology.
Post-employment benefits Key estimates are made in relation to the assumptions used to value post-employment benefit obligations, including the discount rate and inflation. The key assumptions are based on recommendations from independent qualified actuaries.	We received a report from management summarising the key assumptions used to value the liabilities of the main post-employment benefit plans. The assumptions were compared with those made by other companies, and PwC's assessment of the reasonableness of the assumptions was considered. We concluded that the assumptions used, and accounting treatment, are appropriate for the group's post-employment benefit plans.
Tax provisions Key estimates are made in determining the tax charge in the accounts where the precise impact of tax laws and regulations is unclear.	We received a report from management explaining the issues in dispute, or at risk of this, with tax authorities across the business, the calculation of tax provisions and relevant disclosures. We also considered the sensitivities around the provisions and debated the circumstances in arriving at the key provisions. We concluded that management's key assumptions and disclosures are reasonable and appropriate.

Significant current year considerations in relation to the accounts	Work undertaken / outcome
Climate change Key estimates are made in relation to climate change and the impact on the going concern period and viability of the period over the next three years. Additionally, the potential impact of climate on the financial statements including forecasts of cash flows used in impairment assessments, recoverability of deferred tax assets and expected lives of fixed assets and their exposure to the physical risk posed by climate change.	Management has considered the impact of climate change in their goodwill impairment calculations and going concern/viability forecasts. We concluded that management's key assumptions and disclosures are reasonable and appropriate. We also received a report outlining how TCFD considerations are factored into the financial statements.
Provisions and contingent liabilities (judgement) Key estimates are made in determining provisions in the accounts for disputes and claims which arise from time to time in the ordinary course of business. Key judgements are made in determining appropriate disclosures in respect of contingent liabilities.	We received a report from management providing information in respect of significant disputes and claims, including the accounting and disclosure implications, which we discussed and challenged. Claims, uncertainties and other provisions was an area of focus for PwC who reported their findings to us. We concurred with management's conclusions regarding provisions and contingent liabilities and consider the disclosures to be appropriate.

Audit Committee report continued

Going concern and viability statement

We reviewed the matters, assumptions and sensitivities being used to assess both the going concern basis and the long-term viability of the group. This included assessing risks that would threaten our business model, current funding position, as well as different stress scenarios and mitigating actions. Following our review and recommendation, the board concluded that JM is able to continue operating and can meet liabilities over at least three years, which remains the most appropriate time span. Further details on our going concern and viability statement, and the scenarios considered, are on page 71.

Fair, balanced and understandable

We review and assess management's process to support the board, so it can give its assurance that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable (FBU) and provides the information necessary for shareholders to assess JM's position and performance, business model and strategy.

For the Annual Report and Accounts 2024, management selected three individuals from across the group, who were not involved in the drafting, but were all familiar with our strategy and business model, to form an FBU panel and carry out a detailed review, with the support of GAR carrying out checks and balances. The FBU panel, PwC and Annual Report project team determined whether key messages aligned with the group's position, performance and strategy, and whether the narrative sections and financial statements were consistent. The FBU panel presented a report to the board, highlighting the key themes from the review and discussion points. The Disclosure Committee reviewed the verification process dealing with the report's factual content to further support the board's review.

Risk management and internal control

As delegated by the board, the committee is responsible for reviewing the adequacy and effectiveness of internal financial controls, and internal control and risk management systems. These controls are a critical component of our governance and assurance framework, and they detail the minimum controls we need to keep our people safe, ensure compliance with our standards and regulations, protect our physical and intellectual assets, and facilitate the accuracy and completeness of financial reporting. During the year, the committee assessed the effectiveness of these controls, considered the key identified control gaps, and assessed how management planned to address the findings.

The Director of Assurance and Risk independently assures that our risk management and internal control processes operate effectively. Working closely with leadership and management, she provides regular oversight of risk matters that affect our business, makes recommendations to address key issues, and ensures that any mitigating actions are properly tracked, challenged and reported.

The group's internal controls over financial reporting include policies and procedures designed to ensure the accuracy of our financial statements. JM's control self-assessment and business filing assurance processes provide management with a view of the operation of these controls. The results are presented to the committee as part of its assessment of the year-end control environment.

The committee is satisfied that the group's internal financial controls operated effectively throughout the year and up to the date of approval of this report. However, these controls do not provide absolute assurance against material misstatement or loss and are assessed based on materiality and level of activities within the business.

Operation of controls and assurance

There is an ongoing comprehensive improvement programme across JM's financial and operational controls, including control self-assessment, which has led to positive development in our internal controls over financial reporting. During the year, we reviewed the controls strategy, focusing on several cultural and operational factors to ensure JM's readiness for the enhanced reporting on the operating effectiveness of controls from 2025/26. A new second level line of testing of internal controls was introduced during the year to provide management with independent assurance over the effectiveness of the control self-assessment process.

Group assurance and risk

The Director of Assurance and Risk provides regular reports on internal audit reviews, including key findings, actions needed and progress on their implementation. We continually review the effectiveness of the Group Assurance and Risk (GAR) function, using inputs including audit reports, management's response to audit actions and discussions over risk exposures. We look at whether the function has adequate standing across the group, is free from management influence or other restrictions, and is sufficiently resourced.

Integrated or aligned assurance allows us the opportunity to have an holistic approach to risk management, by interacting and working closely with all teams responsible for first, second and third lines of defence. This co-ordination helps set the right risk culture and allows further assurance that risks are being appropriately identified and controlled across the organisation and that appropriate mitigation strategies are being put in place.

GAR annual plan

We review the GAR annual plan to ensure that it reflects challenges and changes to our business. We are confident that it provides the appropriate level of assurance over the group's key risks.

When we reviewed the 2024/25 plan, we specifically considered whether it continued to provide the level of assurance over JM's principal and operational risks, and continues to contribute to the improvement in our overall controls culture and maturity of the second line of defence.

The GAR annual plan is formed on a risk-based audit universe covering areas across financial and operational functions including IT and transformation activities at group and business levels. We consider a wide range of risks that fall into those areas, including level of change and transformation in the group and organisational culture. Close collaboration with the business ensures it adds value to management with pragmatic and manageable action plans. The plan also allows greater flexibility to ensure that the GAR team has capacity to deal with unexpected events.

We believe our 2024/25 assurance plans are adequate for JM's size and nature. It is our opinion they will continue to provide the group with necessary focus on maturing controls culture across business and IT processes. The quality and standing of the GAR function is appropriate to provide necessary challenge and support to the transforming organisation.

Risk management

We work with the board to review and refine the risk assurance processes, including the integrated assurance framework and control self-assessment. We concentrate on reviewing the mitigating controls and the levels of assurance, while the board is directly responsible for managing risks and establishing levels of risk appetite for the group's principal risks.

The GAR function carries out any additional assurance and reports back to the committee.

Speak Up process

Every year, we review our Speak Up whistleblowing process to ensure the procedures allow proportionate and independent investigation and appropriate effective follow-up action. The Societal Value Committee reviews the outcomes of significant investigations and remedial actions.

→ More information on our Speak Up process can be found on page 49

External auditor

Auditor independence is an essential part of our audit framework and the assurance it provides. We confirm ongoing compliance with the Competition and Markets Authority's Statutory Audit Services Order.

Tenure

Our shareholders appointed PwC as the group's external auditor in July 2018, following a formal tender process. This is the sixth year that PwC has audited the group, with Graham Parsons as current lead audit partner. We have no immediate plans to re-tender the auditor, however, we anticipate that it would be conducted to coincide with when Graham Parsons is required to rotate off after the 2027 audit, in accordance with the current regulation that requires a tender every ten years. The proposed tender date is in the best interests of shareholders and the company, as PwC has a detailed knowledge of our business, an understanding of our industry, and continues to demonstrate that it has the necessary expertise and capability to undertake the audit.

External audit plan

In developing the external audit plan for 2023/24, PwC carried out a risk assessment to identify potential risks of material misstatement in the financial statements. This risk assessment considered the nature, magnitude and likelihood of each identified risk, together with relevant controls, to identify audit risks. PwC refer to key audit matters in the independent auditors' report on pages 133-142, which formed the basis of the external audit plan.

In determining the scope of coverage, PwC considered management reporting, the group's legal entity structure, the 2023/24 financial results and the financial forecast for 2024/25. PwC set out details of the coverage and the agreed scope in the independent auditors' report on pages 133-142. The methodology of assessing materiality was consistent with the prior year and agreed at approximately 5% of the three-year average profit before tax, adjusted for loss on business disposals, loss on significant legal proceedings, major impairment and restructuring charges.

Following discussion and challenge, we concluded the proposed external audit plan was sufficiently comprehensive for the audit of the group's accounts and approved the proposed fee.

How we review PwC's performance

Throughout the year, we review the ongoing effectiveness and quality of PwC and the audit process. We look at several factors: the auditors' reports to the committee; Graham Parsons and the PwC team's performance in and outside committee meetings; how the PwC team interacts with and challenges management; and on PwC's efforts at building relationships with the JM team. We ensure that we spend sufficient time with the auditors without management present as part of our assessment.

We considered how PwC challenged management's judgements and assumptions on matters highlighted on pages 99-101, and asked PwC to confirm if those matters had been addressed correctly by management. Following detailed analysis of the assurance completed, PwC agreed with management's judgements and assumptions.

We seek direct feedback from PwC's independent Quality Review Partner to review their assessment of the external auditor's key planning judgements and the execution of PwC's response to significant risks and reporting. We also ask PwC to share with us the results of their internal quality inspections of the audit as well as those conducted by the FRC. In addition, we feel it is important to understand management's opinion of audit quality and effectiveness, with the executive directors and senior management completing a questionnaire on the external auditor each year.

How we gather feedback on the effectiveness of our external auditor and external audit process:

Third-party reviews

- External reviews of PwC by the FRC's audit quality review team and the Quality Assurance Department of The Institute of Chartered Accountants in England and Wales.

Information provided by the auditor

- Details on the audit plan delivery and any changes to the scope of work.
- Assurance on the operation of PwC's audit quality control procedures and insight into their outcomes as they relate to the audit and key members of audit team.

Management feedback

- Survey of audit quality and effectiveness by executive directors and senior management including recommendations for improvement.
- Seek assurance on the disclosure process for the provision of information to the auditor.

Committee assessment

- Quality of regular audit reports.
- Feedback from committee members and regular attendees, including the Group Financial Controller and the Director of Assurance and Risk.

Provision of non-audit services

Our Non-Audit Services Policy ensures the provision of non-audit services is no threat to PwC's independence and objectivity as an auditor. In accordance with the FRC's Revised Ethical Standard 2019, the auditor can only provide additional services directly linked to the audit.

Our policy sets out how approval should be obtained before PwC is engaged to provide a permitted non-audit service. Services likely to cost £25,000 or less must be approved by the Chief Financial Officer; services likely to cost more than £25,000 but less than £100,000 must be approved by the committee chair. Services likely to cost over £100,000 must be approved by the committee.

We reviewed compliance with the Non-Audit Services Policy, details of the non-audit services provided by PwC and associated fees. Audit-related assurance services reported as non-audit services related to the review of half-year financial information and reporting, amounting to £347,750; other non-audit services in the year were £8,865, in total representing 7% of the audit fee, compared with audit fees of £4.8 million. More information on fees incurred by PwC for non-audit services, as well as the split between PwC's audit and non-audit fees, are in note 4 to the accounts, on page 164.

Objectivity and independence

We are responsible for monitoring and reviewing the objectivity and independence of PwC. We considered the information provided by PwC, confirming that no PwC employees involved with the audit have links or connections to JM, and that they complied with the FRC's Revised Ethical Standard. We conclude that PwC is independent.

Proposed re-appointment of PwC

Following our assessment, we believe that PwC provides a robust audit and valuable technical knowledge, and is free from third-party influence and restrictive contractual clauses. As a result, we have included a resolution proposing PwC's re-appointment as auditor, and authorised the committee to determine PwC's remuneration, in our 2024 Notice of Annual General Meeting.

Remuneration Committee report

Membership

John O'Higgins (Chair)
Jane Griffiths
Xiaozhi Liu
Doug Webb

→ Members attendance at committee meetings during the year is on page 77

→ Details of changes to the committee's membership is set out on page 93

Regular attendees at Committee meetings:

- Board Chair
- Chief Executive
- Chief HR Officer
- Group Reward Director

Activities during 2023/24:

- Finalised our 2023 Directors' Remuneration Policy
- Determined the extent of achievement against the 2022/23 annual bonus targets and 2020/21 Performance Share Plan award targets
- Reviewed our short and long term incentive plan metrics in light of Company strategy
- Set the performance metrics for the 2023/24 annual bonus and Performance Share Plan awards
- Discussed Group-wide salary budgets
- Approved Executive Director and GLT base salary increases
- Reviewed the Board Chair's fee
- Approved the 2022/23 Directors' Remuneration Report

Our focus areas for 2024/25:

- Aligning incentive plan performance metrics with the evolution of strategy
- Setting incentive plan performance targets for the upcoming year
- Overseeing approach to pay transparency for the wider workforce

The Committee's Terms of Reference set out our full responsibilities: matthey.com/governance-framework

Dear Stakeholder

I would like to thank those shareholders who provided feedback on remuneration matters ahead of our 2023 AGM. I was pleased that our Directors' Remuneration Policy and Annual Report on Remuneration received 89.08% and 94.96% shareholder support respectively, reflecting the ongoing support from shareholders of our approach to remuneration. We expect our 2023 Remuneration Policy to operate until our 2026 AGM.

As this is my first report as Chair of the committee, following my appointment on 2nd January 2024, I would like to thank my predecessor, Chris Mottershead, for his leadership of the committee and support during my transition to Chair.

I am pleased to present the Directors' Remuneration Report for the year ended 31st March 2024. This report is divided into three sections: my statement, a summary of the Directors' Remuneration Policy and our Annual Report on Remuneration for the year ended 31st March 2024.

Our approach to remuneration

Our overall purpose at Johnson Matthey is catalysing the net zero transition. We currently have an important role to play in this process through the application of our sustainable technologies, products and services and we will have an increasingly important role to play as we further commercialise long-term sustainable technologies, including our portfolio of hydrogen technologies, which will enable decarbonisation and enhance circularity.

Our Remuneration Policy has been purposefully designed to support our strategy detailed above. Our pay model, while market consistent, is weighted towards long term variable pay which supports the long term nature of the investment decisions we make. Our Executive Directors' remuneration includes base salary, pension and benefits, annual bonus, a performance share plan and share ownership requirements with the same policy generally cascading below to our leaders and senior managers. However, below director level, we do operate alternative incentives, including restricted stock, to ensure we can compete for the best executive talent in the geographic locations in which we operate.

> "The application of our Remuneration Policy in 2023/24 balanced our near term objectives of incentivising improved performance through the execution of business transformation and simplification with our longer-term objectives of creating sustainable value creation and growth underpinned by a high performance culture."

Overview of company performance

The 2023/24 financial year has been a year of strong strategic progress and good financial performance in challenging macroeconomic conditions. We continued to transform our business to create a more streamlined organisation and have delivered £120 million of total cost savings to date. We also achieved key milestones in relation to winning 'first of a kind' projects in sustainable fuels and low carbon hydrogen. These steps ensure we have a stronger platform for future growth. With regard to financial performance, notwithstanding continued destocking across a number of our markets, we achieved growth in underlying profit (at constant exchange rates and adjusting for lower precious metal prices) of 11%, delivering a total underlying operating profit of £410 million.

2023/24 incentive plan outcomes

Annual Incentive Plan (AIP)

The maximum bonus opportunity for 2023/24 remained unchanged at 180% of salary for the Chief Executive and 150% of salary for the Chief Financial Officer. The bonus was based on underlying profit before tax (PBT) (50%), working capital (20%) and strategic and transformation objectives (30%).

Bonus targets for PBT were set to be consistent with the board's 2023/24 objective of delivering growth in underlying operating profit, adjusted for metal prices and exchange rates, of 7.5%. The actual growth in underlying operating profit achieved on this basis was 11% which was an excellent result in challenging market conditions. This growth resulted in the PBT target, also adjusted for metal prices and exchange rates, being achieved at 111.7% which was above the top end of the performance range which was set at 110% of the target. However, after considering the range of assumptions used to set the original targets, including market uncertainty, and then testing the targets based 50% on constant metal prices and 50% on actual metal prices, the committee concluded that it was appropriate to increase the original targets after the standard restatement for metal prices and exchange rates to ensure that they had the degree of stretch originally envisaged allowing for changes to market conditions through the year. As a result, the committee used its discretion to increase the original PBT target by circa. 5%. This adjustment resulted in increased performance requirements at all performance levels given the targets were set at 90% to 110% of the target. Following the increase to the target, the extent of achievement was reduced to 106.6% of target from 111.7% which resulted in the bonus earned in relation to PBT reducing from 100% of maximum to 83% of maximum. Overall, a total bonus of 67% of maximum was payable to both Liam Condon and Stephen Oxley. The committee is satisfied that this is a fair outcome in the context of the wider stakeholder experience and reflective of the overall business performance delivered during the year. One half of the bonus payable will be deferred in shares for a period of three-years. More details on the performance against the annual targets and strategic objectives are set out on pages 120-121.

Performance Share Plan (PSP)

Our Chief Executive and Chief Financial Officer were both granted PSP awards in August 2021 that were eligible to vest based on performance against challenging EPS growth and relative TSR performance conditions tested over the three year period ending 31st March 2024. In light of the challenging market conditions across the three year period, the performance conditions were not met and so the awards will lapse.

The Remuneration Committee, having had regard to the remuneration outcomes across the group, including considering the relationship between executive and wider workforce pay, are satisfied that the remuneration outcomes are appropriate and that the Remuneration Policy operated as intended during the year.

Applying the Remuneration Policy in 2024/25

Base Salary

During the year the Committee reviewed the salary increase budgets for the workforce taking into account inflation and its associated impact on the cost of living. The salary increase budget in the UK is 4% for non-management roles and 3% for management roles. With regards to the Executive Directors, the Committee considered the UK salary budget along with institutional investor guidance on UK Director salaries that in a high inflation environment increases should be at a discount to the workforce and increased the Executive Director salaries by 3% with effect from 1st April 2024.

AIP

The maximum opportunity will remain at 180% of salary for the CEO and 150% of salary for the CFO and the target will continue to be set at 50% of the maximum. The Committee reviewed the choice of performance metrics for the 2024/25 AIP and made a modest refinement to better reflect the strategic priorities for the year ahead. Underlying PBT continued with a weighting of 45%, working capital days was retained but with a slightly lower weighting of 15% (from 20%) and strategic targets were also retained with a reduced weighting of 25% (from 30%). In light of the group-wide focus on cost reduction, a new corporate costs metric was included with a weighting of 15% of the total bonus opportunity.

The range of targets set for 2024/25 have been recalibrated versus those set for 2023/24 to take account of group divestments, current forecast metal prices and exchange rates, as well as internal and external expectations of future performance. The committee considers the range of targets to be at least as challenging as those set for 2023/24 allowing for current market conditions.

PSP

The Remuneration Committee intends to grant awards at the same quantum as in 2024/25, being 250% and 175% of salary for the CEO and CFO respectively.

The performance measures, tested over the three year period ending 31st March 2027, will include a combination of growth in underlying EPS (25%), relative total Shareholder return (versus the FTSE 31 to 130 companies but excluding those in financial services) (25%), return on capital employed (25%) and sustainability objectives (25%).

The range of EPS growth targets will require a minimum growth of 5% p.a. for 15% of this part of the award to vest, increasing on a straight line basis to 13% p.a. growth for full vesting. The range of targets were set having regard to internal planning, external expectations for future growth and wider market conditions. The committee considers the range of targets set to be similarly challenging to those set in prior years.

TSR will be assessed against the constituents of the companies ranked 31 to 130 in the FTSE All-Share Index (excluding financial services companies) to reflect JM's current position in the FTSE. Threshold vesting starts at 25% for median performance, increasing on a straight line basis, with 100% vesting for achieving at least upper quartile performance.

Inclusion of a return on capital measure in the 2024 award will incentivise delivery of the transformation programme across JM and aligns with investor focus on our return on capital capabilities. Threshold vesting starts at 25% for 12% performance, increasing on a straight line basis, with a 100% vesting for achieving 16%.

Our sustainability targets are set as challenging structured targets that align with increasing the GHG emissions avoided through the use of our products and solutions, reducing our own GHG (Scope 1 and Scope 2) and increasing the percentage of female representation across our management levels. The range of targets are disclosed on page 127 and are set to be similarly challenging to the financial and TSR targets.

The Remuneration Committee retains discretion on vesting to adjust the number of shares vesting having had regard to underlying performance during the three year performance period and/or if it considers there to have been the potential for a windfall gain on vesting. The factors that the committee would consider in determining if there had been a windfall gain would include, but not be limited to, the share price on grant and at the end of the period, and performance through the period.

Prior to granting the 2024/25 PSP award the committee intends to undertake a final review of the performance targets allowing for the prevailing market conditions versus the time at which the proposed targets were set. Full details of the intended awards are set out on page 127.

Chair and non-executive director fees

The fees payable to the Chair and non executive directors are reviewed annually. In line with the increase in base salaries for Executive Directors, the Chair fee and NED base fee was increased by 3% (lower than the typical 4% salary increase awarded to the wider workforce) with effect from 1st April 2024.

Wider employee remuneration

Paying our employees fairly for their role, skills, experience and performance is central to our approach to remuneration, and our reward framework and policies support us in doing this.

Equal pay is also critical, and we review our pay levels on an ongoing basis to ensure that employees are paid fairly. We will continue our work in this area over the coming year as we prepare for the EU Pay Transparency Directive.

We are also committed to the real living wage and narrowing the gender pay gap that exists among our employees, and to tackling the root causes of gender imbalance to ensure a truly inclusive culture that supports diversity.

We aspire to offer a well-balanced, progressive and structured approach to reward, with appropriate variation by location. We also find that the non-financial reward elements are essential to a supportive culture, with the wellbeing of staff a prominent part of our employment proposition.

This year, all employees were able to provide their feedback on a range of matters, including remuneration, through our annual employee engagement survey and local and global town hall meetings.

Committee effectiveness

The externally facilitated board and committee effectiveness review concluded that the committee continued to function effectively.

Shareholder engagement

We were grateful for the feedback we received prior to the 2023 AGM from our largest investors as well as Institutional Shareholder Services ('ISS'), The Investment Association ('IA') and Glass Lewis as part of the renewal of our Directors' Remuneration Policy. The feedback we received was supportive of our general approach to Directors' remuneration and the minor refinements we proposed.

We welcome an open dialogue with our shareholders, and I will be available at the 2024 AGM to answer any questions about the work of the Remuneration Committee

2024 AGM

The committee believes that the policy and our approach to implementation are in the best interests of the company.

I ask you to support the advisory vote on this Annual Statement and the 2024 Annual Report on remuneration at our AGM on 18th July 2024.

John O'Higgins
Remuneration Committee Chair

Remuneration at a glance

Aligning remuneration with strategy

We will use our deep knowledge of metals chemistry to help our customers address the complex technical challenges of the four transitions – transport, energy, decarbonising chemicals production and a circular economy – by delivering sustainable products, services and technologies. Our strategic milestones can be found on page 13.

KPIs

Annual Incentive Plan

Group profit before tax[1]
£394m

Group working capital days
32.2 (total)
59.6 (excl PGMs)

Performance Share Plan

All Awards

Earnings per share[2]
-8.1%

Total shareholder return
-37.4%

2022, 2023 & 2024 Award

Strategic KPIs (including sustainability)
- D&I – female representation[3]
- GHG emissions avoided through our products and services[3]
- Reduction in Scope 1 and 2 emissions[3]
- GBS cost reduction[4]
- Return on capital employed[5]

1. Measured at constant exchange rates and 50% actual, 50% budgeted metal prices.
2. CAGR in underlying EPS.
3. Included in all awards from 2022.
4. Included in 2023 award only.
5. Included in 2024 award only.

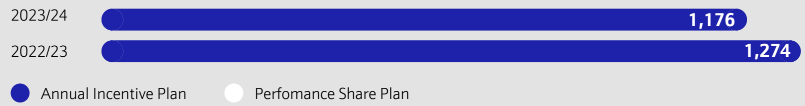
2024 pay outcomes

The pay breakdowns for the executive directors in 2022/23 and 2023/24 are set out below:

Liam Condon — Chief Executive Officer

Fixed pay (£'000)

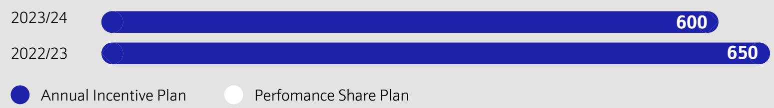
Variable pay (£'000)



Stephen Oxley — Chief Financial Officer

Fixed pay (£'000)

Variable pay (£'000)



Outcomes of variable remuneration[1]	Weighting	Liam Condon Formulaic outcome (% base salary)	Stephen Oxley Formulaic outcome (% base salary)
Annual bonus			
Profit before tax	50%	74.6%	62.2%
Working capital days (including PGMs)	10%	18.0%	15.0%
Working capital days (excluding PGMs)	10%	0.0%	0.00%
Strategic objectives	30%	27.0%	22.5%
Total	100%	119.6%	99.7%
Performance Share Plan			
Compound annual growth rate in earnings per share	50%	–	–
Total Shareholder return	50%	–	–

1. Liam Condon and Stephen Oxley did not hold any 2020–23 Performance Share Plan awards.

Remuneration Policy

The Directors' Remuneration Policy was approved at the 2023 AGM on 20th July 2023 and will remain in effect until the 2026 AGM

A summary of the policy is set out below. The full policy can be found on our website https://matthey.com/remuneration-committee

Remuneration Policy Table

Element	Summary	Potential value of element and performance measures
Base salary	Base salaries will normally be reviewed annually, and any changes normally take effect from 1st April each year. In determining salaries and salary increases, the Remuneration Committee will take account of the performance of the individual director against a broad set of parameters including financial, environmental, social and governance issues. The Remuneration Committee will also take into account the director's knowledge, contribution to the role, length of time in post, and any additional responsibilities since the last salary review, as well as the level of salary increases awarded to the wider Johnson Matthey workforce.	**Maximum opportunity** No salary increase will be awarded which results in a base salary which exceeds the competitive market range considered appropriate by the committee for the role.
Benefits	Benefits include, but are not limited to, medical, life and income protection insurance, medical assessments, company sick pay, a company car (or equivalent), relocation benefits relating to business moves and assistance with tax advice and compliance services where appropriate Other appropriate benefits may also be provided from time to time at the discretion of the Remuneration Committee.	Benefits are not generally expected to be a significant part of the remuneration package in financial terms. Car benefits will not exceed a total of £25,000 per annum. The cost of medical insurance for an individual executive director and dependants will not exceed £25,000 per annum.
Pension	All executive directors will be eligible to participate in a company pension plan and/or paid a cash supplement in lieu of membership in a pension plan.	The maximum company contribution is 15% of base salary for executive directors. This is aligned to the typical cost of providing pension benefits to other employees in the UK.
Annual Incentive Plan	The Remuneration Committee sets the AIP performance measures and targets for each new award cycle. At the end of the year, the committee determines the extent to which these have been achieved. The committee retains the discretion to reduce any bonus award if, in its opinion, the underlying financial performance of the company has not been satisfactory in the circumstances. Of any bonus paid, up to 50% is paid in cash and the remaining balance is deferred into shares for a three-year period as an award under the deferred bonus plan.	**Maximum opportunity and vesting thresholds** • Chief Executive Officer – 180% of base salary. • Other executive directors – 150% of base salary. Where financial measures are set the threshold performance level will result in a bonus of up to 25% of the target bonus opportunity. On-target performance will result in 50% payment of the maximum opportunity. Where non-financial targets are set, it may not be practicable to set targets on a sliding scale.

Remuneration Policy continued

Element	Summary	Potential value of element and performance measures
Performance Share Plan	Shares may be awarded each year and are subject to performance conditions tested over a minimum three- year performance period. Subject to the performance conditions being met the shares will vest after which the directors will be required to hold any vested shares until the fifth anniversary of the award.	**Award levels and vesting thresholds** The maximum award level is 250% of salary. The current award levels are: • Chief Executive Officer – 250% of base salary • Other Executive Directors – 175% of salary. Threshold performance will result in vesting of up to a maximum of 25% for each performance measure.
All employee share plan	Executive directors are entitled to participate in the company's all-employee plan under which regular monthly share purchases are made and matched with the award of company shares, subject to retention conditions. Executive directors would also be entitled to participate in any other all-employee arrangements that may be established by the company on the same terms as all other employees.	Executive directors are entitled to participate up to the same limits in force from time to time for all employees.
Shareholding requirements	Executive directors are expected to build up a shareholding in the company over a reasonable period of time, and upon cessation of employment are expected to retain a shareholding for a period of up to two years.	The minimum shareholding requirement while an executive director and for the two-year period after cessation of employment is as follows: • Chief Executive Officer – 250% of base salary. • Other executive directors – 200% of base salary.
Non-executive director fees	Non-executive director fees are determined by the board and the non-executive directors exclude themselves from these discussions. The fees for the Chair are determined by the Remuneration Committee taking into account the views of the Chief Executive Officer. The Chair excludes himself from these discussions. Non-executive directors are paid a base fee each year with an additional fee for each committee Chair or additional role held. Non-executive director fees are reviewed every year.	The fee levels are set subject to the maximum limits set out in the company's Articles of Association.

The committee is responsible for determining, and agreeing with the board, the Directors' Remuneration Policy and has oversight of its implementation. The committee has clear terms of reference, works with management and independent advisers to develop proposals and recommendations, and exercises independent judgement when making decisions. This process is considered to manage any potential conflicts of interest.

The policy is performance focused and, given the long-term nature of JM's business, is weighted towards long-term performance and includes market standard shareholding expectations and recovery and withholding provisions.

The committee considered the principles listed in the UK Corporate Governance Code 2018 when reviewing the Directors' Remuneration Policy and took these into account in its design and implementation.

Clarity	Remuneration arrangements have defined parameters which can be transparently communicated to shareholders and other stakeholders.
Simplicity	Remuneration arrangements for executive directors consist of: • Salary, benefits, and a fixed pension contribution – set to reflect the typical rate provided to the UK workforce. • Annual Incentive Plan (AIP), a portion of which is deferred into shares. • Annual long-term Performance Share Plan (PSP) awards which provide focus on performance over the longer term. Unnecessary complexity is avoided by the committee in operating the arrangements.
Risk	The remuneration arrangements are designed to have a robust link between pay and performance, thereby mitigating the risk of excessive reward. In addition, behavioural risks are considered when setting targets for performance-related pay, and the arrangements have safeguards to ensure that pay remains appropriate, including committee discretion to adjust incentive outturns, deferral of incentive payments in shares, recovery provisions and share ownership requirements. To avoid conflicts of interest, committee members are required to disclose any conflicts or potential conflicts ahead of committee meetings. No executive director or other member of management is present when their own remuneration is under discussion.
Predictability	The committee set specific targets for different levels of performance which are communicated to the individuals and disclosed to shareholders.
Proportionality	The AIP and PSP have performance metrics that are aligned with the company's KPIs, and the payouts reflect achievement against the targets. The committee may reduce payouts under the AIP and PSP if they are not considered aligned with underlying performance. Safeguards are identified to ensure that poor performance is not rewarded.
Alignment to culture	The directors' remuneration arrangements are cascaded through the organisation ensuring that there are common goals. The committee reviews remuneration arrangements throughout the company and takes these into account when setting directors' remuneration.

Selection of performance targets

Annual Incentive Plan

Financial performance targets under the AIP are set by the Remuneration Committee with reference to the prior year and to the budgets and business plans for the coming year, ensuring the levels to achieve threshold, target or maximum payout are appropriately challenging.

The performance targets for 2024/25 are predominantly based on financial measures (75% of maximum opportunity) including underlying PBT, working capital days and corporate cost reduction to ensure that there is strong attention paid to delivery of current operational plans and operational efficiency.

Commercial sensitivity precludes the advance publication of the actual bonus targets, but these targets will be retrospectively published in the Annual Report on Remuneration for 2024/25.

Performance Share Plan

The performance targets under the PSP are set to reflect the company's longer-term growth objectives at a level where the maximum represents genuine outperformance. The performance measures proposed for the 2024 award are underlying EPS, TSR, return on capital employed and strategic objectives.

Underlying EPS is considered a simple and clear measure of absolute growth in line with the company's strategy.

TSR is considered a simple and clear performance relative to a comparator group (FTSE 31-130 excluding financial services companies).

Return on capital employed supports our transformation journey and aligns with investor focus on our ability to return value on investments.

The strategic objectives will consist of three equally weighted metrics related to our sustainability framework.

Discretion

The Remuneration Committee can exercise discretion in a number of areas when operating the company's incentive plans, in line with the relevant rules of the plan. These include (but are not limited to):

- The choice of participants
- The size of awards in any year (subject to the limits set out in the Directors' Remuneration Policy table)
- The extent of payments or vesting in light of the achievement of the relevant performance conditions
- The determination of good or ordinary leavers and the treatment of outstanding awards (subject to the provisions of the plan rules and the remuneration policy provisions)
- The treatment of outstanding awards and assessing performance in the event of a change of control.

In addition, if events occur which cause the Remuneration Committee to conclude that any performance condition is no longer appropriate, that condition may be substituted, varied or waived as is considered reasonable in the circumstances, in order to produce a fairer measure of performance that is not materially less difficult to satisfy.

Remuneration Policy continued

Remuneration scenarios

Below is an illustration of the potential future remuneration that could be received by each executive director for the year starting 1st April 2024, both in absolute terms and as a proportion of the total package under different performance scenarios. The value of the PSP is based on the award that will be granted in August 2024. In developing the scenarios, the following assumptions have been made:

Below threshold	Only fixed elements of remuneration (base salary, pension and benefits) are payable
Threshold	Fixed elements of remuneration plus 25% of target bonus and 22% vesting of PSP award are payable
Target	Fixed elements of remuneration plus 50% of maximum bonus and 60% vesting of PSP award are payable
Maximum	Fixed elements of remuneration plus 100% of maximum bonus and 100% vesting of PSP award are payable
Maximum plus 50% share price appreciation	Maximum plus a 50% share price appreciation on the PSP award

Value of package

Composition of package

Liam Condon

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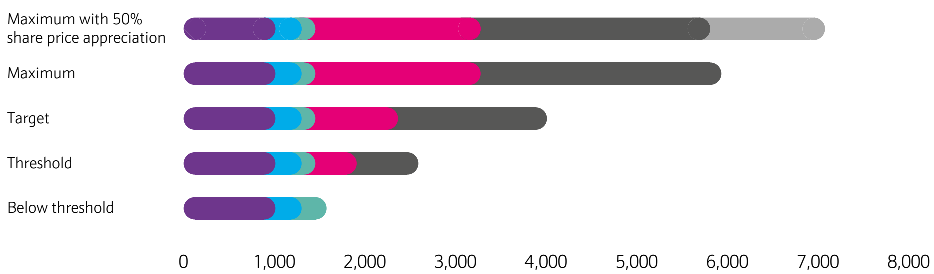

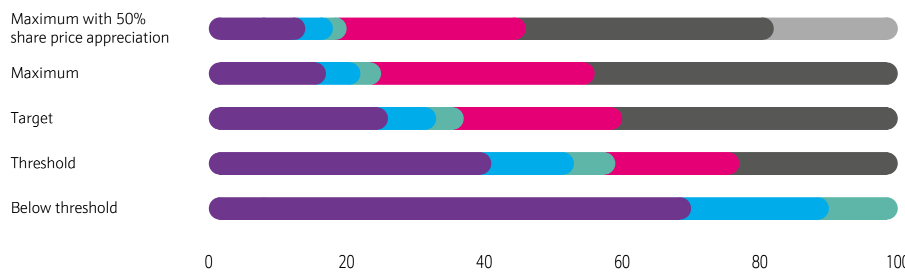

Stephen Oxley

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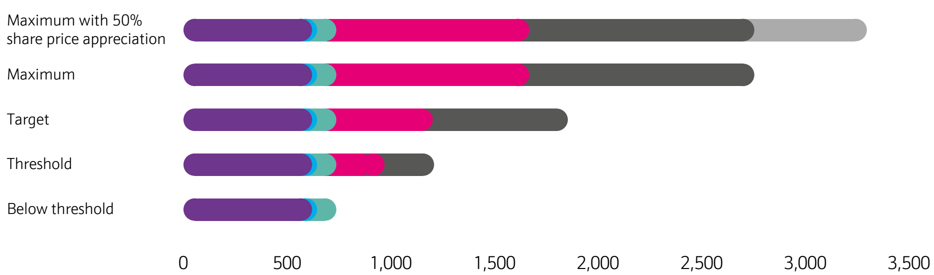
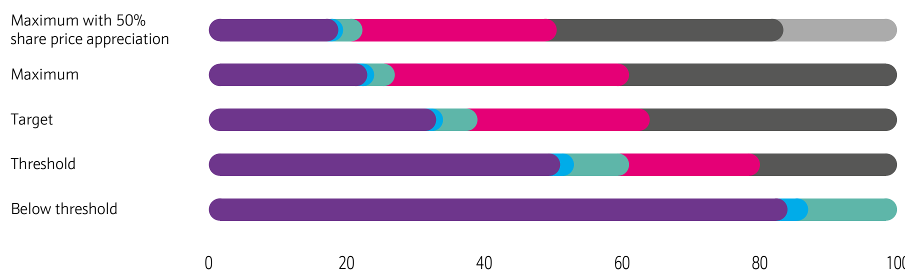




Base salary Benefits Pension Bonus PSP PSP share price appreciation

Group employee considerations

The Remuneration Committee considers the directors' remuneration, along with the remuneration of the Group Leadership Team (GLT), in the context of the wider employee population, and is kept regularly updated on pay and conditions across the group.

We aspire to offer a well-balanced, progressive and structured approach to reward, with appropriate variation by location. We also find that the non-financial reward elements are essential to a supportive culture, with the wellbeing of staff a prominent part of our employment proposition.

The general principle for remuneration in Johnson Matthey is to provide a competitive package of pay and benefits in all markets and at all job levels to attract and retain high-quality and diverse employees. Equal and fair pay is also a critical component of our proposition, and we regularly review our pay levels and develop actions to remove any form of potential inequality.

The proportion of variable pay increases with progression through management levels, with the highest proportion of variable pay at executive director level, as defined by the Remuneration Policy.

This year, all employees were able to provide their feedback on a range of matters, including remuneration, through our annual employee engagement survey and townhall meetings. This provided valuable employee context to decision making when considering remuneration decisions made during the year. While we inform our employees of global changes to pay and benefits, we have not actively sought a two-way dialogue over executive pay during 2023/24.

Corporate Governance: matthey.com/corporate-governance

The table below sets out how our remuneration arrangements cascade through the organisation:

<table>
<tr><th></th><th>Executive directors</th><th>Senior managers</th><th>Middle managers</th><th>Managers</th><th>Wider workforce</th></tr>
<tr><td>Base salary</td><td colspan="4">Base salary is set with reference to the relevant local market and takes account of the employee's knowledge, experience and contribution to the role. Base salaries are usually reviewed annually and take into account local salary norms, local wage inflation and business conditions. Increases in base salary for directors will take into account the level of salary increases granted to all employees within the group.</td><td>Base salary is either subject to negotiation with local trade unions or follows the market pay approach outlined for managers.</td></tr>
<tr><td>Pension and benefits</td><td colspan="5">Employment-related benefits are offered in line with local market conditions.</td></tr>
<tr><td>Short-term incentives</td><td>Annual incentive based on 75% financial metrics plus 25% strategic objectives. Compulsory deferral into shares for three years.</td><td>Annual incentive based on 75% financial metrics or strategic business goals, plus 25% individual performance. Compulsory deferral into shares for three-years for certain levels within this category.</td><td colspan="2">Annual incentive based on 75% financial metrics or strategic business goals plus 25% individual performance.</td><td>Annual incentive is either subject to negotiation with local trade unions or follows the standard AIP framework with financial, non-financial and individual performance measures used.</td></tr>
<tr><td rowspan="2">Long-term incentives</td><td>PSP awards are subject to a three-year performance period and a two-year holding period. Performance conditions are designed to drive company financial performance and align with stakeholder interests.</td><td colspan="2">PSP awards are subject to a three-year performance period. Performance conditions are designed to drive company financial performance and align with stakeholder interests.

Restricted Share Plan (RSP) awards may be granted as special recognition or to motivate and retain key talent. They are typically subject to a three-year service condition.</td><td colspan="2">RSP awards may be granted as special recognition or to motivate and retain key talent. They are typically subject to a three-year service condition.</td></tr>
<tr><td colspan="5">Eligible employees may participate in JM's Share Incentive Plan (ShareMatch). Two free matching shares are awarded for every one partnership share purchased by the employee, subject to an annual maximum employee contribution of £1,500.</td></tr>
</table>

Shareholder considerations

The committee has a standard annual agenda item whereby the feedback from shareholders and investor advisory bodies is presented and discussed following the AGM. The Committee Chair is also available for questions at the AGM. The feedback that the committee receives then informs discussions for the formulation of future policy and subsequent remuneration decisions. The committee is also regularly updated on the collective views of shareholders and investor advisory bodies by its independent advisor.

Approach to recruitment

The recruitment policy provides an appropriate framework within which to attract individuals of the required calibre to lead a company of Johnson Matthey's size, scale and complexity. The Remuneration Committee determines the remuneration package for any appointment to an executive director position, either from within or outside Johnson Matthey.

The following table sets out the various components which would be considered for inclusion in the remuneration package for the appointment of an executive director and the approach to be adopted by the Remuneration Committee in respect of each component.

In the case of an internal promotion to the board, the company will honour any contractual commitments made prior to the promotion.

Area	Policy and operation
Overall	The policy of the board is to recruit the best candidate possible for any board position and to structure pay and benefits in line with the Remuneration Policy set out in this report. The ongoing structure of a new recruit's package would be the same as for existing directors, with the possible exception of an identifiable buy-out provision, as set out below.
Base salary or fees	Salary or fees will be determined by the Remuneration Committee in accordance with the principles set out in the approved remuneration policy. https://matthey.com/remuneration-committee
Benefits and pension	An executive director will be eligible for benefits and pension arrangements in line with the company's approved remuneration policy for current executive directors. https://matthey.com/remuneration-committee
Annual Incentive Plan	The maximum level of opportunity is as set out in the policy summary on page 109. The Remuneration Committee retains discretion to set different performance targets for a new externally appointed executive director, or to adjust performance targets and/or measures in the case of an internal promotion, to be assessed over the remainder of the financial year. In this case any bonus payment would be made at the same time as for existing directors, such award to be pro-rated for the time served in the performance period.
Performance Share Plan	The maximum level of opportunity is as set out in the policy summary on page 110. In order to achieve rapid alignment with Johnson Matthey's and shareholder interests, the Remuneration Committee retains discretion to grant a PSP award to a new externally appointed executive director on or soon after appointment if they join outside of the normal grant period.
Replacement awards buy-out	The Remuneration Committee retains discretion to grant replacement buy-out awards (in cash or shares) to a new externally appointed executive director to reflect the loss of awards granted by a previous employer. Where this is the case, the Remuneration Committee will seek to structure the replacement award such that overall it is on an equivalent basis to broadly replicate that foregone, using appropriate performance terms. If granted, any replacement buy-out award would not exceed the maximum set out in the rules of the 2017 Performance Share Plan (350% of base salary). If the executive director's prior employer pays any portion of the remuneration that was anticipated to be forfeited, the replacement awards shall be reduced by an equivalent amount.
Other	The Remuneration Committee may agree that the company will meet certain mobility costs and relocation costs including temporary living and transportation expenses, in line with the company's prevailing mobility policy for senior executives as described in the approved remuneration policy https://matthey.com/remuneration-committee

Service contracts and policy on payment for loss of office

The following table summarises relevant key provisions of executive directors' service contracts and the treatment of payments on termination of employment. The full contracts of service of the executive directors (as well as the terms and conditions of appointment of the non-executive directors) are available for inspection at the registered office of the company during normal business hours as well as prior to and during the forthcoming AGM.

In exceptional circumstances, the Remuneration Committee may authorise, where it considers it to be in the best interests of the company and shareholders, entering into contractual arrangements with a departing executive director, for example a settlement, confidentiality, restrictive covenant or other arrangement, pursuant to which sums not set out in the following table may become payable. Full disclosure of the payments will be made in accordance with the remuneration reporting requirements.

The table on the following page describes the contractual conditions pertaining to the contracts for Liam Condon and Stephen Oxley and for any future executive director.

Summary of key provisions of executive directors' service contracts and treatment of payments on termination

	Liam Condon	Stephen Oxley
Date of service agreement	10th November 2021	1st December 2020
Date of appointment as director	1st March 2022	1st April 2021
Employing company	Johnson Matthey Plc	
Contract duration	No fixed term	
Notice period	No more than 12 months' notice	
Post-termination restrictions	The contracts of employment contain the following restrictions on the director for the following periods from the date of termination of employment: • non-compete – six months • non-dealing and non-solicitation of client/customers – 12 months • non-solicitation of suppliers and non-interference with supply chain – 12 months • non-solicitation of employees – 12 months.	
Summary termination – payment in lieu of notice (PILON)	The company may, in its absolute discretion, terminate the employment of the director with immediate effect by giving written notice together with payment of a sum equivalent to the director's base salary and the value of his contractual benefits as at the date such notice is given, in respect of the director's notice period, less any period of notice actually worked. The company may elect to pay the PILON in equal monthly instalments. The director is under a duty to seek alternative employment and to keep the company informed about whether they have been successful. If the director commences alternative employment, the monthly instalments shall be reduced (if appropriate to nil) by the amount of the director's gross earnings from the alternative employment. A PILON paid to a director who is a US taxpayer would be in equal monthly instalments.	
Termination payment – change of control	If, within one year after a change of control, the director's service agreement is terminated by the company (other than in accordance with the summary termination provisions), the company shall pay, as liquidated damages, one year's base salary, together with a sum equivalent to the value of the director's contractual benefits, as at the date of termination, less the period of any notice given by the company to the director.	
Termination – treatment of annual incentive awards	Annual bonus awards are made at the discretion of the Remuneration Committee. Executive directors leaving the company's employment will receive a bonus, pro-rata to service, unless the reason for leaving is resignation or misconduct. Any bonus awarded would continue to be subject to deferral as set out in the Remuneration Policy. In relation to deferred bonus awards which have already been made, shares will be released on the normal vesting date unless one of the following circumstances applies, and subject to the discretion of the Remuneration Committee: • the participant leaves as a result of misconduct; or • the participant, prior to vesting, breaches one of the post-termination restrictions or covenants contained in their employment contract, termination agreement or similar agreement. In which case the deferred awards will lapse on cessation of employment. The Remuneration Committee has the discretion to accelerate vesting of a deferred award if appropriate to do so to reflect the circumstances of the departure. It is intended that this would only be used in the event of a departure due to ill health (or death).	

Remuneration Policy continued

Summary of key provisions of executive directors' service contracts and treatment of payments on termination (continued)

	Liam Condon	Stephen Oxley
Termination – treatment of long-term incentive awards	Employees, including executive directors, leaving the company's employment will normally lose their long-term incentive awards unless they leave for a specified "good leaver" reason (e.g. death, retirement), in which case their shares will be released on the normal release dates, subject to the performance condition. The Remuneration Committee has discretion to accelerate vesting, in which case the performance condition would be assessed based on available information at the time. In either case, unless the Remuneration Committee determines otherwise, the level of vesting shall be pro-rated to reflect the proportion of the performance period which has elapsed to the date of leaving. In the post-vesting deferral period, only those who leave due to misconduct will lose their shares.	
Redundancy arrangements	Directors are not entitled to any benefit under any redundancy payments arrangement operated by the company.	
Holiday	Upon termination for any reason, directors will be entitled to payment in lieu of accrued but untaken holiday entitlement.	

Chair and Non-Executive Directors

The Chair and each of the non-executive directors have letters of appointment. The letters of appointment do not contain any contractual entitlement to a termination payment and the non-executive directors can be removed in accordance with the company's Articles of Association. Directors are required to retire at each AGM and seek re-election by shareholders.

The details of the service contracts, including notice periods, contained in the letters of appointment in relation to the non-executive directors who served during the year are set out in the table below. Neither the Chair or the non-executive directors has provisions in his or her letter of appointment that relate to a change of control of the company.

Non-Executive Director	Committee appointments	Date of appointment	Expiry of current term	Notice period by the individual	Notice period by the company
Patrick Thomas (Chair)	N	1st June 2018	31st May 2024	6 months	6 months
Jane Griffiths	A R N S	1st January 2017	31st December 2025	1 month	1 month
Chris Mottershead[1]	A R N S	27th January 2015	26th January 2024	1 month	1 month
John O'Higgins	A R N S	16th November 2017	16th November 2026	1 month	1 month
Xiaozhi Liu	R N	2nd April 2019	1st April 2025	1 month	1 month
Doug Webb	A R N	2nd September 2019	1st September 2025	1 month	1 month
Rita Forst	A N S	4th October 2021	3rd October 2024	1 month	1 month
Barbara Jeremiah	A N S	1st July 2023	30th June 2026	1 month	1 month

A Audit Committee R Remuneration Committee N Nomination Committee S Societal Value Committee Committee Chair

1. Chris Mottershead stepped down from the board on 26th January 2024.

Annual report on remuneration

This section provides details of how the Directors' Remuneration Policy was implemented during 2023/24 and how we intend to apply it in 2024/25.

About the Remuneration Committee

The members of the Remuneration Committee are John O'Higgins (Chair), Jane Griffiths, Xiaozhi Liu and Doug Webb. Prior to 2nd January 2024, when membership of the Board Committees was streamlined, the Remuneration Committee had comprised all six of the Company's non-executive directors. Details of attendance at committee meetings during the year ended 31st March 2024 are shown on page 77.

The Remuneration Committee's Terms of Reference can be found at matthey.com/REM-terms-of-reference. These include determination of fair remuneration for the group Chair, executive directors and senior management, including the General Cousel and Company Secretary (no individual participates in discussions of their own remuneration). The General Counsel and Company Secretary acts as secretary to the committee.

Advisers to the committee

The committee appoints and receives advice from independent remuneration consultants on the latest developments in corporate governance and market trends in pay and incentive arrangements. The committee appointed Korn Ferry as adviser to the Remuneration Committee after a competitive tender process in 2017. The total fees paid to Korn Ferry in respect of its services to the committee during the year were £32,480 +VAT. The fees paid to Korn Ferry are based on the standard market rates Korn Ferry has for remuneration committee advisory services.

Korn Ferry also provides consultancy services to the company in relation to certain employee and benefit matters to those below the Board. Korn Ferry is a signatory to the Remuneration Consultants Group Code of Conduct.

The committee is satisfied that the advice provided by Korn Ferry, an unconnected third party, was independent and objective and that the provision of additional services did not compromise that independence. The committee is also satisfied that the team who provided that advice does not have any connection to Johnson Matthey that may impair their independence and objectivity.

Herbert Smith Freehills is the committee's legal adviser. There was no requirement during 2023/24 for Herbert Smith Freehills to provide advice to the committee. The committee is aware that Herbert Smith Freehills is one of a number of legal firms that provide legal advice and services to the company on a range of matters.

A statement regarding the use of remuneration consultants for the year ended 31st March 2024 is available at matthey.com/corporate-governance.

Statement of shareholder voting

We carefully monitor shareholder voting on our Remuneration Policy and its implementation. We recognise the importance of our shareholders' continued support for our remuneration arrangements.

The next table shows the results of the polls taken on the resolution to approve the Remuneration Policy and Annual Statement and Annual Report on Remuneration at the 2023 AGM.

Resolution	Number of votes cast	For	Against	Votes withheld
Remuneration Policy	129,179,627	115,069,890 (89.08%)[1]	14,109,737 (10.92%)[1]	1,656,783
Annual Statement and Annual Report on Remuneration	129,234,766	122,723,247 (94.96%)	6,511,519 (5.04%)	1,601,644

1. Percentage of votes cast, excluding votes withheld.

The Remuneration Committee believes that the 89.08% vote in favour of the Remuneration Policy and the 94.96% vote in favour of the Annual Statement and Annual Report on Remuneration at the 2023 AGM showed strong shareholder support for the group's remuneration arrangements at that time.

Remuneration for the year ended 31st March 2024

Single total figure table of remuneration (audited)

Our Remuneration Policy operated as intended over the year, and the table below sets out the total remuneration and breakdown of the elements each director received in relation to the years ended 31st March 2024 and 31st March 2023. An explanation of how the figures are calculated follows the table.

	Base salary/fees £'000		Benefits £'000		Pension[1] £'000		Total fixed remuneration £'000		Annual incentive £'000		Long-term incentive £'000		Total variable remuneration £'000		Total remuneration £'000	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Executive directors																
Liam Condon	**983**	950	**283**[2]	280[2]	**147**	143	**1,413**	1,373	**1,176**	1,274	**–**	–	**1,176**	1,274	**2,589**	2,647
Stephen Oxley	**602**	582	**20**	20	**90**	87	**712**	689	**600**	650	**–**	–	**600**	650	**1,312**	1,339
Non-executive directors																
Patrick Thomas	**390**	376	**–**	–	**–**	–	**390**	376	**–**	–	**–**	–	**–**	–	**390**	376
Jane Griffiths	**90**	86	**–**	–	**–**	–	**90**	86	**–**	–	**–**	–	**–**	–	**90**	86
Chris Mottershead[3]	**75**	86	**–**	–	**–**	–	**75**	86	**–**	–	**–**	–	**–**	–	**75**	86
John O'Higgins	**90**	87	**–**	–	**–**	–	**90**	87	**–**	–	**–**	–	**–**	–	**90**	87
Xiaozhi Liu	**71**	68	**–**	–	**–**	–	**71**	68	**–**	–	**–**	–	**–**	–	**71**	68
Doug Webb	**93**	89	**–**	–	**–**	–	**93**	89	**–**	–	**–**	–	**–**	–	**93**	89
Rita Forst	**71**	68[5]	**–**	–	**–**	–	**71**	68	**–**	–	**–**	–	**–**	–	**71**	68
Barbara Jeremiah[4]	**67**	–	**–**	–	**–**	–	**67**	–	**–**	–	**–**	–	**–**	–	**67**	–

1. Represents a cash allowance in lieu of a pension.
2. Liam Condon is entitled to certain allowances and benefits associated with his international relocation. These include housing (£180k), schooling and other family disturbance allowances (£70k).
3. Chris Mottershead stepped down from the board on 26th January 2024. The fee disclosed relates to the 10 months served on the Board.
4. Barbara Jeremiah joined the board on 1st July 2023. The fee disclosed relates to the 9 months served on the Board.
5. Due to an administrative error, which has been corrected, fees received from October 2021 to April 2023 were £67k per year but should have been £68,350. Figure for 2023 updated to reflect what should have been paid.

Base salary/fees	Salary paid during the year to executive directors and fees paid during the year to non-executive directors.
Benefits	All taxable benefits, such as medical and life insurance, service and car allowances, mobility allowances, matching shares under the all-employee share incentive plan and assistance with tax advice and tax compliance services, where appropriate.
Pension	The amounts shown represent the value of any cash supplements paid in lieu of pension membership.
Annual incentives	Annual bonus awarded for the year ended 31st March 2024. The figure includes any amounts deferred and awarded as shares. These shares are not subject to any further conditions other than forfeiture in certain termination scenarios.
Long-term incentives	The 2024 figure represents the value of shares that satisfied performance conditions on 31st March 2024. The 2023 figure represents the value of shares that satisfied performance conditions on 31st March 2023.

Annual bonus for the year ended 31st March 2024 (audited)

Liam Condon and Stephen Oxley were eligible for a maximum annual bonus of 180% of base salary and 150% of base salary, respectively. The target bonus opportunity was set at 50% of maximum and the threshold bonus opportunity was 25% of the target opportunity.

The performance measures and weightings for the annual bonus were as follows:

	Percentage of bonus available		
	Group underlying PBT	Group working capital days[1]	Strategic objectives
Liam Condon	50%	20%	30%
Stephen Oxley	50%	20%	30%

1. Group working capital days is split 50% total working capital (including PGMs) and 50% total working capital days (excluding PGMs).

Performance targets were set by looking at:

- Previous year financial performance.
- Budgets and business plans for 2023/24. These are built from the bottom up and are subject to thorough challenge before being finalised by the board.
- Consensus of industry analysts' forecasts, provided by Vara Research.

The committee also considered the performance range for the group profit measures and concluded that given the continued uncertainty in the market at the time the targets were set, the range should continue to be 90% to 110% of target performance. The 2023/24 targets are considered similarly challenging, if not more challenging than those set in 2022/23.

The strategic objectives were set based on well-defined key deliverables that support our strategy relating to science, customers, operations and people.

Bonus outcomes (audited)

The underlying PBT target was set to be consistent with a 7.5% growth in underlying operating profit. The formulaic outcome based on delivery of 11% underlying growth in operating profit when adjusted for metal prices and exchange rates was a 111.7% achievement against the PBT target. However, after considering the range of assumptions used to set the original targets, including market uncertainty, and then testing the targets based 50% on constant metal prices and 50% on actual metal prices, the committee concluded that it was appropriate to increase the original targets after the standard restatement for metal prices and exchange rates to ensure that they had the degree of stretch originally envisaged allowing for changes to market conditions through the year. As a result, the committee used its discretion to increase the original PBT target by circa. 5%. Based on performance against the adjusted targets, total bonuses for the year ended 31st March 2024 were as set out below. The committee is comfortable that the bonuses earned, based on the revised targets, are appropriate in the context of the wider stakeholder experience through the year.

	Financial measures outcome (% base salary)	Strategic measures formulaic outcome (% base salary)	Total bonus outcome (% base salary)	Total bonus outcome (% of target)	Total value of bonus[1] (£)
Liam Condon	92.6	27.0	119.6	132.9	1,176,251
Stephen Oxley	77.2	22.5	99.7	132.9	600,455

1. 50% of this figure is deferred into conditional shares subject to a three-year vesting period with no other performance conditions. This figure represents the full bonus paid for the year.

The detailed breakdown of performance against the financial targets and strategic objectives is set out in the next tables.

Financial measures

Performance measure[1]	Bonus weighting	Unit	Outcome	Target	Threshold	Maximum	Liam Condon: Maximum bonus available (% base salary)	Liam Condon: Outcome (% base salary)	Stephen Oxley: Maximum bonus available (% base salary)	Stephen Oxley: Outcome (% base salary)
Group underlying PBT[2]	50%	£m	393.9	369.5	332.6	406.5	90	74.6	75	62.2
Group Working Capital Days (incl. pgms)	10%	Average days	32.2	35.3	37.1	33.5	18	18	15	15
Group Working Capital Days (excl. pgms)	10%	Average days	59.6	45.1	47.4	42.8	18	0	15	0
Total bonus for financial measures							**126**	**92.6**	**105**	**77.2**

1. Group underlying PBT and group working capital days are measured using Johnson Matthey's budgeted foreign exchange rates.
2. Group underlying PBT is measured based on 50% constant and 50% actual metal prices.

Annual Report on remuneration continued

Strategic objectives

	Objective	Assessment	Formulaic outcome (% of maximum bonus)[1]	Bonus payable (% of base salary)
Liam Condon	Achieve our strategic milestones to FY24 as detailed on page 13.	Good progress has been made on JM's strategic milestones with all but two either on track or achieved. The decision to delay the start of production at our new Hydrogen Technologies plant at Royston, UK was required to reflect delays in end markets.	50%	27%
	Put in place succession plans for all GLT members and their direct reports and ensure development plans are in place for all GLT direct reports.	Succession plans are in place for all GLT roles and for 65% of GLT direct reports. Further work is planned to increase this cover.		
	Drive long-term growth for JM by forming strategic partnerships in growth businesses, with two new strategic partnerships for Catalyst Technologies and another two for Hydrogen Technologies	Catalyst Technologies won nine sustainable technology projects with strategic partners, including two of the largest LCH projects in the world. No new strategic partnerships were signed in Hydrogen Technologies due to the change in market outlook during the year.		
	Accelerate cultural transformation with focus on enhancing customer orientation, disciplined execution and efficiency by: • Increasing JMs net promoter score • Implementing a new performance management approach • Fully staffing critical engineering capex roles • Set-up of Global Business Services	Good progress has been made in all areas: • JM's net promoter score has increased by five points versus 2023. • JM's new performance management and incentivisation approach was successfully rolled out, evidenced by improved scoring related to objective setting, feedback and development in our pulse surveys. • We have staffed all critical engineering roles for capex projects. • All key milestones have been achieved without any business disruption and ahead of the approved GBS business case.		
Stephen Oxley	Achieve our strategic milestones to FY24 as detailed on page 13.	Good progress has been made on JMs strategic milestones with all but two either on track or achieved. The decision to delay the start of production at our new Hydrogen Technologies plant at Royston, UK was required to reflect delays in end markets.	50%	22.5%
	Put in place succession plans for all GLT members and their direct reports and ensure development plans are in place for all GLT direct reports.	Succession plans are in place for all GLT roles and for 65% of GLT direct reports. Further work is planned to increase this cover.		
	Execution of the Finance, IT transformation, Security and Real Estate plans delivering headcount savings and financial targets in line with approved plans.	Good progress was made in the year with cost savings broadly on track. Headcount reductions and the IT transformation are on track. JMs corporate real estate rationalisation is in line with the approved plan.		
	Complete JMs divestiture programme and deliver at least £300m net proceeds in FY24.	All businesses have agreed contracts for sale and the net proceeds substantially exceed the target.		

1. The committee assess executive director performance using the same framework that operates across Johnson Matthey. This involves assessing the extent of achievement and categorizing that achievement in performance bands which, for Executive Directors, also involves consideration of the overall financial performance achieved over the financial year. As a result, notwithstanding that more than 50% of the strategic objectives set out above were achieved during the year, the bonus out-turn in relation to strategic targets was moderated to 50% of the maximum.

Annual Report on remuneration continued

Long-term incentives

PSP awards vesting for the three-year performance period ended 31st March 2024 (audited)

The 2021 PSP awards were made in August 2021 and performance was measured over the period 1st April 2021 to 31st March 2024. Where the performance conditions are met, the shares will vest and be subject to a two year holding period. The awards vest on a straight-line basis between threshold (15% vesting for EPS and 25% vesting for TSR) and maximum (100% vesting). The performance condition for the 2021 award and the actual performance achieved are shown below. Performance conditions were not satisfied so the award will lapse in full.

	Weighting	Threshold	Maximum	Actual
Compound annual growth rate in earnings per share	50%	4%	12%	-8.1%
Relative total shareholder return	50%	Median 1.9%	Upper Quartile 26.6%	Below Threshold -37.4%

PSP awards granted in the year ended 31st March 2024 (audited)

The next table provides details of the PSP awards granted to executive directors in the year ended 31st March 2024.

Executive directors	Award date	Award type	Award size (% of base salary)	Number of shares awarded	Face value[1]	% vesting at threshold[2]	End of performance period	End of holding period
Liam Condon	1st August 2023	Conditional shares	250	140,265	£2,458,116	22%	31st March 2026	1st August 2028
Stephen Oxley	1st August 2023	Conditional shares	175	60,146	£1,054,047	22%	31st March 2026	1st August 2028

2. Face value is calculated using the award share price of 1,752.48 pence, which is the average closing share price over the four-week period starting on 26th May 2023.
3. Threshold vesting is 15% for the earnings per share (EPS) measure and 25% for the relative total shareholder return (TSR) and strategic objectives scorecard measures. The value shown is the average threshold vesting for the award.

The performance targets and vesting ranges for the 2023 award are set out below:

30% of performance condition

Compound annual growth rate in earnings per share

Performance	Proportion of shares vesting
<1%	0%
1%	15%
7%	100%
Between 1% and 7%	Straight-line between 15% and 100%

40% of performance condition

Relative total shareholder return

Performance	Proportion of shares vesting
Below median	0%
Median	25%
Upper quartile	100%
Between median and upper quartile	Straight-line between 25% and 100%

30% of performance condition

Strategic Objectives scorecard (targets equally weighted)

Tonnes of GHG avoided using technologies enabled by our products and solutions		**Reduction in scope 1 and 2 GHG emissions**		**Percentage of female representation across management levels**		**Reduction in total annualised cost associated with delivering global business services**	
Performance	Proportion of shares vesting	Performance	Proportion of shares vesting	Performance	Proportion of shares vesting	Performance	Proportion of shares vesting
< 8.0m tonnes (MT)	0%	Below 20% reduction	0%	Below 32% representation	0%	Below £23m reduction	0%
8.0 MT	25%	20% reduction	25%	32% representation	25%	£23m reduction	25%
12.0 MT	100%	25% reduction	100%	33% representation	100%	£33m reduction	100%
Between 8.0 MT and 12.0 MT	Straight-line between 25% and 100%	Between 20% and 25% reduction	Straight-line between 25% and 100%	Between 32% and 33% representation	Straight-line between 25% and 100%	Between £23m and £33m reduction	Straight-line between 25% and 100%

Annual Report on remuneration continued

Statement of directors' shareholding (audited)

The table below shows the directors' interests in the shares of the company, together with their unvested scheme interests, effective 31st March 2024.

	Ordinary shares[1]	Subject to ongoing performance conditions[2]	Not subject to further performance conditions[3]
Executive directors			
Liam Condon	58,264	308,392	36,336
Stephen Oxley	15,795	141,263	74,771[4]
Non-executive directors			
Patrick Thomas	13,194	–	–
Jane Griffiths	5,171	–	–
Chris Mottershead[5]	5,718	–	–
John O'Higgins	1,500	–	–
Xiaozhi Liu	4,000	–	–
Doug Webb	6,500	–	–
Barbara Jeremiah	1,000	–	–
Rita Forst	2,000	–	–

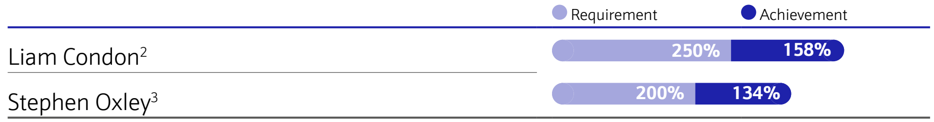
1. Includes shares held by the director and / or connected persons, including those in the all-employee share matching plan. Shares in the all-employee share matching plan may be subject to forfeiture in accordance with the rules of the plan.
2. Represents unvested PSP shares within three years of the date of award.
3. Represents unvested deferred bonus shares that are not subject to service conditions.
4. Includes 41,500 shares awarded in year end 31st March 2022 to compensate for the loss of KPMG long-term deferred cash award.
5. The figure for Chris Mottershead is as at 26th January 2024 when he stepped down from the board.

Directors' interests as at 23rd May 2024 were unchanged from those listed above other than that the Trustees of the all-employee share matching plan have purchased another 42 shares for Liam Condon and 42 shares for Stephen Oxley.

Executive directors are expected to achieve a shareholding guideline of 250% of base salary for the Chief Executive Officer and 200% for other executive directors, within a reasonable timeframe. The director's total shareholding for the purposes of comparing it with the minimum shareholding requirement includes shares held beneficially by the director and any connected persons (as recognised by the Remuneration Committee), together with the shares awarded under the Deferred Bonus Plan (DBP), for which there are no further performance or service conditions.

Shares that count towards achieving the post-cessation guideline include the same as those while an executive director. Executive directors are expected to retain at least 50% of the net (after tax) vested shares that are released under the PSP and DBP until the required levels of shareholding are achieved.

Executive director shareholdings as at 31st March 2024 as a percentage of base salary[1] are shown below:



1. Value of shares as a percentage of base salary is calculated using a share value of 1646.5159 pence, which was the average share price prevailing between 1st January 2024 and 31st March 2024.
2. Liam Condon was appointed Chief Executive Officer on 1st March 2022 and will build his shareholding over a reasonable timeframe.
3. Stephen Oxley was appointed Chief Financial Officer on 1st April 2021 and will build his shareholding over a reasonable timeframe.

Pension entitlements (audited)

No director is currently accruing any pension benefit in the group's pension schemes. Both Liam Condon and Stephen Oxley receive an annual cash payment in lieu of pension membership, equal to 15% of base salary. This is in line with pension provision for the wider workforce.

Payments to former directors (audited)

There were no payments made to, or in respect of, any former director in 2023/24 that have not been previously disclosed.

Payments for loss of office (audited)

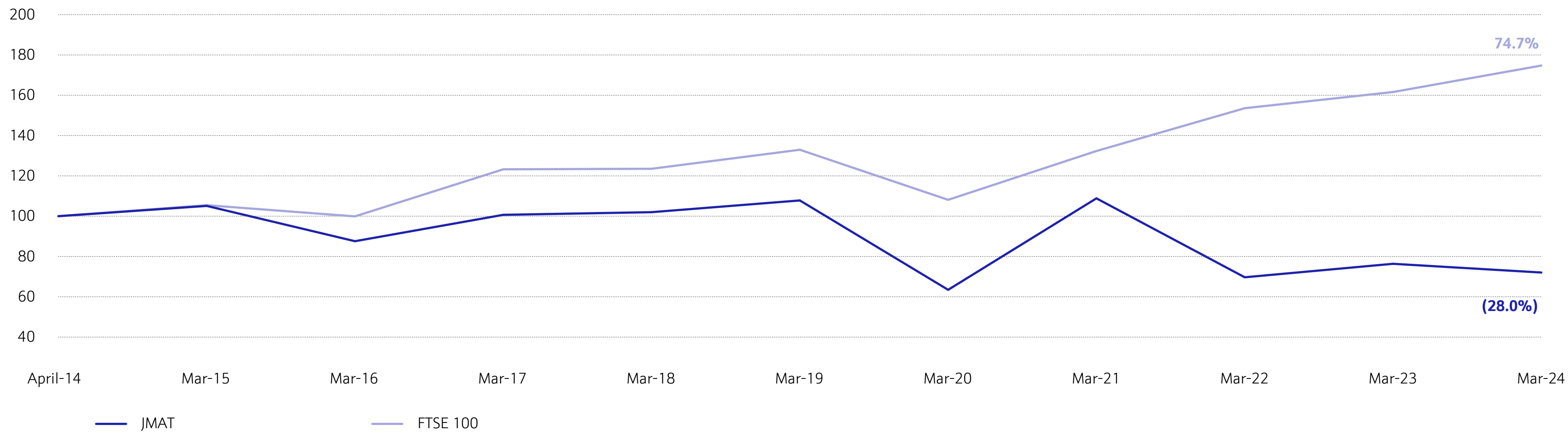
There were no payments made to, or in respect of, any former director for loss of office in 2023/24.

Annual Report on remuneration continued

Performance graph and comparison to Chief Executive Officer's remuneration

Johnson Matthey and FTSE 100 total shareholder return rebased to 100

The following chart illustrates the total cumulative shareholder return of the company for the ten-year period from 1st April 2014 to 31st March 2024 against the FTSE 100 as the most appropriate comparator group when considering our market capitalisation over the period, rebased to 100 at 1st April 2014.



Historical data regarding Chief Executive Officer's remuneration

	2014/15[1]	2015/16[2]	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22[3]	2022/23[5]	**2023/24**
Single total figure of remuneration (£000)	2,539	1,429	1,971	2,013	2,784	1,462	2,532	1,672	2,647	**2,589**
Annual incentives (% of maximum)	54	15	40	69	45	26	98	42	75	**67**
Long-term incentives (% of award vesting)[4]	–	33	28	–	67	–	–	–	–	**–**

1. The figures for 2014/15 are in respect of both Robert MacLeod and Neil Carson, who both held the position of Chief Executive Officer in the year. The single total figure of £2,539k comprises £1,594k for Robert MacLeod and £945k for Neil Carson.
2. Figures from 2015/16 to 2020/21 are in respect of Robert MacLeod.
3. The figures for 2021/22 are in respect of both Robert MacLeod and Liam Condon, who both held the position of Chief Executive Officer in the year. The single total figure of £1,672k comprises £1,557k for Robert MacLeod and £115k for Liam Condon. The value shown for annual incentives relates to Robert MacLeod only because Liam Condon was not eligible to participate in the AIP in 2021/22.
4. Vesting of long-term incentive awards whose three-year performance period ended in the financial year shown.
5. Figures for 2022/23 onwards are in respect of Liam Condon.

Annual Report on remuneration continued

Change in directors' remuneration

The table below shows how the remuneration of directors, both executive and non-executive, has changed over the year ended 31st March 2024. This is then compared to employees of Johnson Matthey Plc.

	2024			2023			2022			2021		
	Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits
Executive directors												
Liam Condon[1]	4%	-8%	–	0%	–	–	–	–	–	–	–	–
Stephen Oxley[2]	4%	-8%	–	3%	7%	–	–	–	–	–	–	–
Non-executive directors												
Patrick Thomas	4%	–	–	–	–	–	2%	–	–	0%	–	–
Jane Griffiths	5%	–	–	3%[10]	–	–	24%[3]	–	–	0%	–	–
Chris Mottershead	-13%[12]	–	–	–	–	–	2%	–	–	0%	–	–
John O'Higgins	4%	–	–	–	–	–	10%[4]	–	–	27%	–	–
Xiaozhi Liu	4%	–	–	–	–	–	2%	–	–	0%	–	–
Doug Webb	4%	–	–	0%	–	–	10%[5]	–	–	31%	–	–
Rita Forst[6]	4%[14]	–	–	100%[11]	–	–	–	–	–	–	–	–
Barbara Jeremiah[13]	–	–	–	–	–	–	–	–	–	–	–	–
Comparator group												
JM Plc employees	10%[7]	9%[8]	0%[9]	8%[7]	-10%[8]	0%[9]	6%[7]	4%[8]	0%	2%	312%	0%

1. Liam Condon was appointed Chief Executive Officer on 1st March 2022, so no change in compensation can be calculated for 2022. No change in bonus can be calculated for 2023 as not eligible in 2022.
2. Stephen Oxley was appointed Chief Financial Officer on 1st April 2021, so no change in compensation can be calculated for 2022.
3. Represents the additional fee received for taking the SVC Chair position on 1st June 2021 and annual fee review.
4. Represents the additional fee received for taking the Senior Independent Director role on 23rd July 2020 and annual fee review.
5. Represents the additional fee received for taking the Audit Committee Chair role on 23rd July 2020 and annual fee review.
6. Rita Forst was appointed to the board on 4th October 2021, so no change in compensation can be calculated for 2022.
7. Includes promotions and market adjustments.
8. The percentage change in bonus was calculated based on the change in bonus accrual taken for Johnson Matthey Plc (JM Plc) employees, excluding the directors, for the 2023/24, 2022/23, 2021/22 and 2020/21 years.
9. There has been no change to the benefits policy for Johnson Matthey Plc employees; therefore, a 0% change has been reported.
10. Represents the additional fee received for taking the SVC Chair position on 1st June 2021, which was pro-rated in 2022.
11. Rita Forst was appointed to the board on 4th October 2021 and received a pro-rated fee for 6 months in 2022 and full fee based on 12 months in 2023.
12. Chris Mottershead stepped down from the board on 26th January 2024.
13. Barbara Jeremiah was appointed to the board on 1st July 2023 so no change in compensation can be calculated for 2024.
14. Due to an administrative error, which has been corrected, fees received from October 2021 to April 2023 were £67k but should have been £68,350. Change in remuneration reflects the change from what the correct fees for 2023 should have been rather than what was actually paid.

Annual Report on remuneration continued

Relative spend on pay

The table below shows the absolute and relative amounts of distributions to shareholders and the total remuneration for the group for the years ended 31st March 2023 and 31st March 2024.

	Year ended 31st March 2023 £ million	Year ended 31st March 2024 £ million	% change
Payments to shareholders	186[2]	141	-24%
Total remuneration (all employees)[1]	732	746	2%

1. Figure is for all operations and excludes termination benefit
2. Includes £45m related to the share buy-back that completed on 13th May 2022

Chief Executive Officer to employee pay ratio

The table below shows the ratio of Chief Executive Officer to employee pay between 2020 and 2024. We have compared the single total figure of remuneration for the Chief Executive Officer to the total pay and benefits of UK employees, on a full-time equivalent basis, who are ranked at the lower quartile, median and upper quartile across all UK employees effective 31st March 2024.

We believe that using total pay and benefits for the year ending 31st March 2024 provides a like-for-like comparison to the Chief Executive Officer pay data.

Chief Executive Officer pay ratio	2020	2021	2022	2023[1]	**2024**
Method	A – Total pay and benefits in 2019/20	A – Total pay and benefits in 2020/21	A – Total pay and benefits in 2021/22	A – Total pay and benefits in 2022/23	**A – Total pay and benefits in 2023/24**
Chief Executive Officer single figure	£1,462,000	£2,532,000	£1,672,000[2]	£2,646,222	**£2,589,900**
Upper quartile	22:1	35:1	20:1	30:1	**32:1**
Median	28:1	45:1	28:1	42:1	**42:1**
Lower quartile	36:1	57:1	35:1	53:1	**53:1**

1. Chief Executive Officer pay ratio revised to include employee bonuses payable in relation to 2022/23. This changed upper quartile from 37:1 to 30:1, median from 49:1 to 42:1 and lower quartile from 60:1 to 53:1.
2. The Chief Executive Officer single figure for 2021/22 is in respect of both Robert MacLeod and Liam Condon, who both held the position of Chief Executive Officer in the year. The single total figure of £1,672,000 comprises £1,557,000 for Robert MacLeod and £115,000 for Liam Condon.

Bonus data for UK employees was left out of the 2024 calculation because it was not administratively possible to calculate these bonuses before the publication of this report. However, the calculation will be revised to include these bonuses once available and will be disclosed in the 2025 report.

Excluding the 2023/24 bonus payable to the Chief Executive Officer from the calculation would result in the following pay ratios: lower quartile – 29:1, median – 23:1 and upper quartile – 17:1.

The salary and total pay for the individuals identified at the lower quartile, median and upper quartile positions in 2024 are set out below:

2024	Salary[1]	Total pay
Upper quartile individual	£62,799	£80,832
Median individual	£37,160	£61,082
Lower quartile individual	£39,593	£49,161

1. Includes shift allowance.

Our principles for pay setting and progression are consistent across the organisation. Underpinning our principles is a need to provide a competitive total reward to enable the attraction and retention of high-calibre individuals and giving the opportunity for individual development and career progression. The pay ratios reflect the difference in role accountabilities that are recognised through our pay structures and the greater variable pay opportunity for more senior positions. The Chief Executive Officer's variable pay opportunity is higher than those employees noted in the table reflecting the weighting towards long-term value creation and alignment with shareholder interests inherent in this role.

The movement in our Chief Executive Officer to employee pay ratio between 2020 and 2024 is driven by the different bonus outcomes and fixed income for the Chief Executive Officer in each of these years. There have been no other changes to remuneration arrangements for our UK employees that would affect the CEO pay ratio.

We are satisfied that the median pay ratio is consistent with our wider pay, reward and progression policies for employees. All our employees have the opportunity for annual pay increases, career progression and development opportunities.

Implementing the Directors' Remuneration Policy for 2024/25

The table below sets out how the Remuneration Committee intends to apply the Directors' Remuneration Policy for the year ended 31st March 2025.

Salary	The Chief Executive Officer and Chief Financial Officer both received a pay increase of 3%. This is in line with the pay increases for management employees in the UK but below the increase awarded to non-management UK employees.
Benefits	No change to policy applied in 2023/24.
Pension	All executive directors will have a maximum pension cash supplement of 15%.
Annual incentives	The maximum bonus opportunity for 2024/25 remains unchanged at 180% of salary for the Chief Executive Officer and 150% of salary for the Chief Financial Officer. 2024/25 bonus will be based on underlying profit before tax (45%), working capital (15%), corporate cost reduction (15%) and strategic and transformation objectives (25%). Targets for the Chief Executive Officer and Chief Financial Officer will be based on group performance. The 2024/25 targets are considered similarly challenging, if not more challenging to those set in 2023/24, when accounting for the divestments in the year and uncertain economic outlook. Targets have been set taking this into account as well as internal and external planning. To the extent that metal prices move outside a defined corridor the Remuneration Committee will rebase the targets such that they are similarly challenging as when the targets were originally set. The Remuneration Committee considers the forward-looking targets to be commercially sensitive but full retrospective disclosure of the actual targets will be included in next year's Directors' Remuneration report. 50% of any bonus paid will be deferred in shares for three years, and the payment of any bonus is subject to appropriate malus and clawback provisions.
Long-term incentives	The Chief Executive Officer award level is 250% of base salary and the Chief Financial Officer award level is 175% of base salary. These award levels are in line with our remuneration policy. The long-term Performance Share Plan will be based on EPS growth targets (25% of the award), relative TSR performance (25% of the award), return on capital employed (25%) and specific and measurable strategic objectives (25% of award). The range of annualised EPS growth targets that the committee intends to set for the 2024/25 awards is 5% per annum growth for threshold (15%) vesting, rising to 13% per annum growth for maximum vesting (100%). Vesting will be on a straight-line basis between 5% and 13%. The committee considered the effect of metal price volatility on potential outcomes and, as a result, earnings will be assessed 50% against actual metal prices and 50% against constant metal prices. The committee believes that this will allow for a more accurate assessment of underlying business performance. The ROCE targets that the committee intends to set for the 2024/25 awards is 12% for threshold (25%) vesting rising to 16% for maximum (100%) vesting. Vesting will be on a straight-line between 12% and 16% ROCE. As detailed in the Chair's statement, the range of EPS and ROCE targets have been set to be challenging with reference to internal planning, external expectations for our future performance and wider market conditions. ROCE has been introduced as a measure to align with the successful delivery of our transformation programme and driving improved returns on our capital employed. The TSR target will be 25% vesting for median performance, increasing on a straight-line basis to 100% vesting for upper quartile performance. The TSR peer group will be the FTSE 31 – 130 (excluding financial services companies). The committee considers that this comparator group is the most appropriate given our current market capitalisation. The strategic objectives scorecard will consist of three equally weighted metrics. Threshold vesting will be 25%, increasing on a straight-line basis to 100% at maximum. The three metrics are as follows: • Products and services – tonnes of GHG avoided during the period using technologies enabled by our products and solutions, compared to conventional solutions, where threshold vesting will be 4 million tonnes GHG avoided and maximum will be 10 million tonnes GHG avoided. • Operations – reduction in Scope 1 and 2 GHG emissions (from the 2020 baseline), where threshold vesting will be achieved for a 32% reduction in GHG emissions and maximum vesting for a 36% reduction in GHG emissions. • People – percentage of female representation across our management levels, where threshold vesting will be achieved at 33% female representation at management levels and maximum at 35% female representation at management levels. Awards vest in year three and are then subject to a two-year holding period.
Chairman and non-executive director fees	The fees for the Chair and non-executive directors were reviewed during the year and increased in line with the increase awarded to executive directors.

This Remuneration Report was approved by the Board of Directors on 22nd May 2024 and signed on its behalf by:

John O'Higgins
Remuneration Committee Chair

Directors' report

Statutory and other information

The Directors' report required under the Companies Act 2006 (2006 Act) comprises the Governance report (pages 75 to 127), including the Sustainability report for our disclosure of carbon emissions, which is included in the Strategic report (pages 34 to 52). The management report required under Disclosure Guidance and Transparency Rule 4.1.8R comprises the Strategic report (pages 1 to 74), which includes the risks relating to our business, and the Directors' report.

Index of disclosures referred to elsewhere in the report

Business model	**10-11**
Corporate governance statement	**76**
Directors	**77-79**
Diversity and employment of disabled persons	**47**
Directors' interests	**123**
Dividends	**182**
Employee engagement	**91**
Future developments	**18-25**
Greenhouse gas emissions	**41**
Human rights and anti-bribery and corruption	**49-50**

Modern slavery and human trafficking statement	**49** **matthey.com**
Non-financial key performance indicators	**17**
Related party transaction	**196**
Research and development activities	**8-40**
Results	**28-33 and 143**
Section 172 statement and stakeholder engagement	**74, 86-88**
Share capital	**181-183**
Use of financial instruments	**152-153**
Whistleblowing (Speak Up)	**49**

Listing Rule 9.8.4R

Details of the disclosures to be made under Listing Rule 9.8.4R are listed below.

Interest capitalised	**168**
Allotments of equity securities for cash	**130**
Dividend waiver	**130**

There are no other applicable disclosures.

Other disclosures

Dividend reinvestment plan	A dividend reinvestment plan is available. This allows shareholders to purchase additional shares in Johnson Matthey Plc with their dividend payment. Further information and a mandate can be obtained from our registrar, Equiniti, whose details can be found on page 220, and on our website: matthey.com
Directors' indemnities and insurance	Johnson Matthey Plc has granted indemnities to each Johnson Matthey Plc director and the directors of the group's subsidiaries in respect of certain liabilities arising against them in the course of their duties. Neither Johnson Matthey Plc nor any subsidiary has indemnified any director of the company or a subsidiary in respect of any liability that they may incur to a third party in relation to a relevant occupational pension scheme. The company maintains appropriate directors' and officers' liability insurance.
Conflicts of interest	The board has a policy for identifying and managing directors' conflicts of interest, which extends to cover close family members. The board annually reviews external appointments to consider any potential or actual conflict of interest. If a conflict of interest is declared, the board will review the authorisation and terms associated, to ensure that all matters presented to the board are considered solely with a view to promoting JM's business success. For the year under review, there were no potential or actual conflicts of interest.
External appointments	The board approves all external appointments in advance of acceptance. If an external appointment arises between meetings, this is considered by the Chair and Chief Executive Officer, with the assistance of the General Counsel and Company Secretary. In approving each additional external appointment, the board assesses time commitment to ensure that no directors are considered over-boarded.
Directors' reappointment	Johnson Matthey Plc's Articles of Association (the Articles) provide the rules on director appointments and are consistent with the recommendation contained within the UK Corporate Governance Code 2018. All directors retire and are eligible for re-election at each Annual General Meeting (AGM) (except any director appointed after the notice of an AGM meeting is published and before that AGM is held).
Directors' powers	The powers of the directors are determined by the Articles, UK legislation including the 2006 Act, and any directions given by the company in general meetings. The directors are authorised by the company's Articles to issue and allot ordinary shares and to make market purchases of its own shares. These powers are referred to shareholders for renewal at each AGM. Further information is set out on page 130 under 'Authority to purchase own shares'.

Constitution

Articles of Association	The Articles may only be amended by a special resolution at a general meeting of the company. The Articles were adopted on 17th July 2019 and are available on our website: matthey.com/corporate-governance.
Branches	The company and its subsidiaries have established branches in several different countries in which they operate.
Change of control	As at 31st March 2024 and as at the date of approval of this Annual Report and Accounts, there were no significant agreements, to which the company or any subsidiary was or is a party to, that take effect, alter or terminate on a change of control of the company, whether following a takeover bid or otherwise. However, the company and its subsidiaries were, as at 31st March 2024, and as at the date of approval of this report, party to a number of commercial agreements. These may allow counterparties to alter or terminate the commercial agreements on a change of control of JM following a takeover bid. These are not deemed significant in terms of their potential effect on the group. The group also has a number of loan notes and borrowing facilities that may require prepayment of principal and payment of accrued interest and breakage costs if there is a change of control of JM. The group has entered into a series of financial instruments to hedge its currency, interest rate and metal price exposures, which provide for termination or alteration if a change of control at JM materially weakens the creditworthiness of the group. The executive directors' service contracts each contain a provision to the effect that, if the contract is terminated by the company within one year after a change of control of the company, JM will pay an amount equivalent to one year's gross base salary and other contractual benefits, less the period of any notice given by the company, to the director as liquidated damages. The rules of the company's employee share schemes set out the consequences of a change of control of the company on participants' rights under the schemes. Generally, the rights will vest and become exercisable on a change of control, subject to the satisfaction of relevant performance conditions. As at 31st March 2024, and as at the date of approval of this Annual Report and Accounts, there were no other agreements between the company, any subsidiaries and directors or employees, providing compensation for loss of office or employment (through resignation, purported redundancy or otherwise) that occurs due to a takeover bid.

Stakeholders and policies

Suppliers	We recognise the importance of good supplier relationships to our overall success. Further information on our payment practices is on the UK Government's reporting portal. → Read more about our Supplier Code of Conduct and our engagement with suppliers during the year on pages 49 and 50
Political donations	No political donations or contributions to political parties under the 2006 Act have been made during the year. The group policy is that no political donations be made or political expenditure incurred.
Events occurring after the reporting period	There have been no material events affecting Johnson Matthey Plc or any subsidiary between 31st March 2024 and 22nd May 2024.

Shareholders and share capital

AGM	Our 2024 AGM will be held on Thursday 18th July 2024 at 11.00 am at Herbert Smith Freehills, Exchange House, Primrose Street, London EC2A 2EG. We will provide a live webcast and telephone conference so shareholders can also participate virtually and ask questions in real time. Details on how to join are included in the Notice of AGM (Notice). In the Notice, we propose separate resolutions on each substantially separate issue. For each resolution, shareholders may direct their proxy to vote either for or against or to withhold their vote. A 'vote withheld' is not legally a vote and will not be counted in the calculation of the proportion of the votes cast. All AGM resolutions are decided by a poll, with the results announced as soon as possible and posted on our website. This poll will show votes for and against, as well as votes withheld.
Authority to purchase own shares	At the 2023 AGM, shareholders authorised Johnson Matthey Plc to make market purchases of up to 18,345,341 ordinary shares of 110 $^{49/53}$ pence each, representing 10% of the then issued share capital of the company (excluding treasury shares). Any shares so purchased by the company may be cancelled or held as treasury shares. This authority will cease at the conclusion of the 2024 AGM, and shareholders will be asked to give a similar authority at the AGM. There were no share allotments during the year.
Rights and obligations attaching to shares	The rights and obligations attaching to the ordinary shares in Johnson Matthey Plc are set out in the Articles. As at 31st March 2024, and as at the date of approval of this Annual Report and Accounts, there were no restrictions on the transfer of ordinary shares in the company, no limitations on the holding of securities and no requirements to obtain the approval of the company, or of other holders of securities in Johnson Matthey Plc, for a transfer of securities – except as referred to below. The directors may, in certain circumstances, refuse to register the transfer of a share in certificated form that is not fully paid up, where the instrument of transfer does not comply with the requirements of the company's Articles, or if entitled under the Uncertificated Securities Regulations 2001. As at 31st March 2024 and as at the date of approval of this Annual Report and Accounts: • No person held securities in Johnson Matthey Plc carrying any special rights with regard to control of the company. • There were no restrictions on voting rights (including any limitations on voting rights of holders of a given percentage or number of votes or deadlines for exercising voting rights), except that a shareholder can only vote in respect of a share if it is fully paid. • There were no arrangements by which, with the company's co-operation, financial rights carried by shares in the company are held by a person other than the holder of the shares. • There were no agreements known to the company between holders of securities that may result in restrictions on the transfer of securities or on voting rights.
Nominees, financial assistance and liens	During the year: • No shares in Johnson Matthey Plc were acquired by the company's nominee, or by a person with financial assistance from the company, in either case where the company has a beneficial interest in the shares (and no person acquired shares in the company in any previous financial year in its capacity as the company's nominee or with financial assistance from the company). • The company did not obtain or hold a lien or other charge over its own shares.
Allotment of securities for cash and placing of equity securities	During the year neither Johnson Matthey Plc nor any major subsidiary undertaking of the company has allotted equity securities for cash. During the year, JM has not participated in any equity securities' placing.
American Depositary Receipt programme	Johnson Matthey has a sponsored Level 1 American Depositary Receipt (ADR) programme, which BNY Mellon administers and for which it acts as Depositary. Each ADR represents two ordinary Johnson Matthey shares. The ADRs trade on the US over-the-counter market under the symbol JMPLY. When dividends are paid to shareholders, the Depositary converts those dividends into US dollars, net of fees and expenses, and distributes the net amount to ADR holders.
Employee share schemes	As at 31st March 2024, 3,458 current and former employees were shareholders in Johnson Matthey Plc through the group's employee share schemes. Through these schemes, current and former employees held 2,940,525 ordinary shares or 1.52% of issued share capital, excluding treasury shares. Also as at 31st March 2024, 2,829,146 ordinary shares had been awarded but had not yet vested, under the company's long-term incentive plans, to 363 current and former employees. Shares acquired by employees through JM's employee share schemes rank equally with the other shares in issue and have no special rights. Voting rights in respect of shares held through the company's employee share schemes are not exercisable directly by employees. However, employees can direct the trustee of the schemes to exercise voting rights on their behalf. The trustee of the company's Employee Share Ownership Trust (ESOT) has waived its right to dividends on shares held by the ESOT, which have not yet vested unconditionally to employees.

Directors' report continued

Shareholders and share capital continued

Interests in voting rights

The following information has been disclosed to the company under the FCA's Disclosure Guidance and Transparency Rules in respect of notifiable interests in the voting rights in Johnson Matthey Plc's issued share capital:

As at 31st March 2024:	Nature of holding	Total voting rights[1]	% of total voting rights[2]
Amerprise Financial, Inc. and its group	Direct	1,768	
	Indirect	9,062,122	4.94%
Bank of America Corporation	Indirect[3]	32,992,987	17.98%
BlackRock, Inc.	Indirect[3]	10,216,388	5.56%
Jefferies Financial Group	Direct	10,540,153	5.74%
Standard Latitude Master Fund Ltd	Direct	18,504,373	10.09%

Other than as stated above, as far as the company is aware, there is no person with a significant direct or indirect holding of securities in Johnson Matthey Plc. This information was correct at the date of notification. However, since notification of any change is not required until the next notifiable threshold is crossed, these holdings are likely to have changed. Between 31st March 2024 and the date of this Annual Report and Accounts, 22nd May 2024, the company has been notified of changes in the following interest:

	Nature of holding	Total voting rights[1]	% of total voting rights[2]
Bank of America Corporation	Indirect[3]	27,814,925	15.16%

1. Total voting rights attaching to the issued ordinary share capital of the company (excluding treasury shares) at the time of disclosure to the company.
2. % of total voting rights at the date of disclosure to the company.
3. Indirect holdings include qualifying financial instruments and contract for differences.

Contracts with controlling shareholders

During the year there were no contracts of significance (as defined in the FCA's Listing Rules) between any group undertaking and a controlling shareholder, and no contracts for the provision of services to any group undertaking by a controlling shareholder.

The Directors' report was approved on 22nd May 2024 and is signed on its behalf by:

Simon Price
General Counsel and Company Secretary

Responsibilities of directors

Statement of directors' responsibilities in respect of the Annual Report and Accounts 2024

The directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the Annual Report and Accounts 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and parent company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Governance section of the Annual Report and Accounts 2024, confirm that, to the best of their knowledge:

- the group and parent company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the group;
- the parent company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the parent company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the group and parent company, together with a description of the principal risks and uncertainties that it faces.
- In the case of each director in office at the date the Directors' report is approved:
- so far as the director is aware, there is no relevant audit information of which the group's and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and parent company's auditors are aware of that information.

The Directors' report and responsibilities statement was approved 22nd May 2024 and is signed on behalf of the board by:

Simon Price
General Counsel and Company Secretary