

JM

**Johnson Matthey
Gender Pay Gap
Report 2023**

Johnson Matthey
Inspiring science, enhancing life



Johnson Matthey's combined UK gender pay gap is **7.6%**. We continue to be well placed against the national average gender pay gap of **14.3%** and will continue to address gender imbalance across our organisation.



Introduction

Women currently represent

29%

of our UK employees

33%

of our board



25%

of our Group Leadership Team



31%

of our UK management positions



We have seen good progress since first starting to report our gender pay gap in 2017, when our median gender pay gap was 9.2%. This year our gender pay gap has increased to 7.6% and is the result of a number of factors, including our changing workforce composition and increasing some allowances. We remain as committed as ever to ensuring our global workforce reflects the diversity of the communities in which we operate.

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

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

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

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

Through inspiring science and continued innovation, we are catalysing the net zero transition for millions of people every day. During 2022, we continued to focus on our sustainability goal to create a diverse, inclusive and engaged company and take actions to meet our target to achieve more than 40% female representation across all management levels.

In April 2023, women represented 29% of our UK employees (2022: 29%). Women also made up 33% of our board, 25% of our Group Leadership Team and 31% of our UK management positions.



Liam Condon
Chief Executive



Annette Kelleher
Chief Human
Resources Officer

Gender pay gap key facts



The gender pay gap is the average difference in pay between men and women.



Women currently represent 29% of our UK employees.



31% of all our management positions are held by women.



Johnson Matthey is committed to being a meritocracy where men and women are paid fairly.



Female representation is lower in our manufacturing, technology and engineering roles.



A focus on recruitment partnerships and developing female talent is planned for next year.

Helpful definitions

Understanding the gender pay gap

The gender pay gap can be thought of as a talent gap as it identifies an unequal distribution of men and women across the company where more males are employed in higher paid roles.

Reporting our UK gender pay gap

Regulations in the UK require all legal entities in Great Britain that employ 250 or more employees to publish a number of statistics relating to the difference in remuneration between their male and female employees. Johnson Matthey employs over 4,000 people. The majority of our people are employed by Johnson Matthey Plc (91%). However, we have also decided to voluntarily disclose our combined UK results, which includes employees in our legal entities with fewer than 250 employees.

4,082

People in the UK employed by Johnson Matthey

The gender pay gap is not the same as equal pay

Equal pay means that men and women with equivalent experience and performance doing equivalent work should receive equal pay. Johnson Matthey is committed to providing equal pay for equivalent work because it's the right thing to do.

Our pay policies and practices are designed to control potential biases and to help ensure a meritocracy where men and women with the same experience and performance doing equivalent work are paid equally. We also have a standard global approach to job grading, which underpins how we reward our employees.

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

Mean versus median pay gap

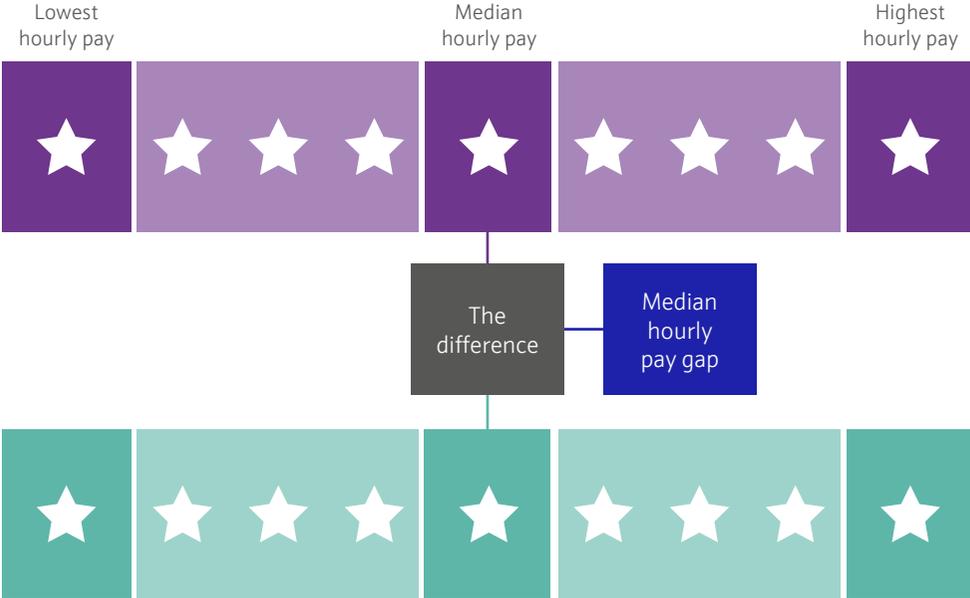
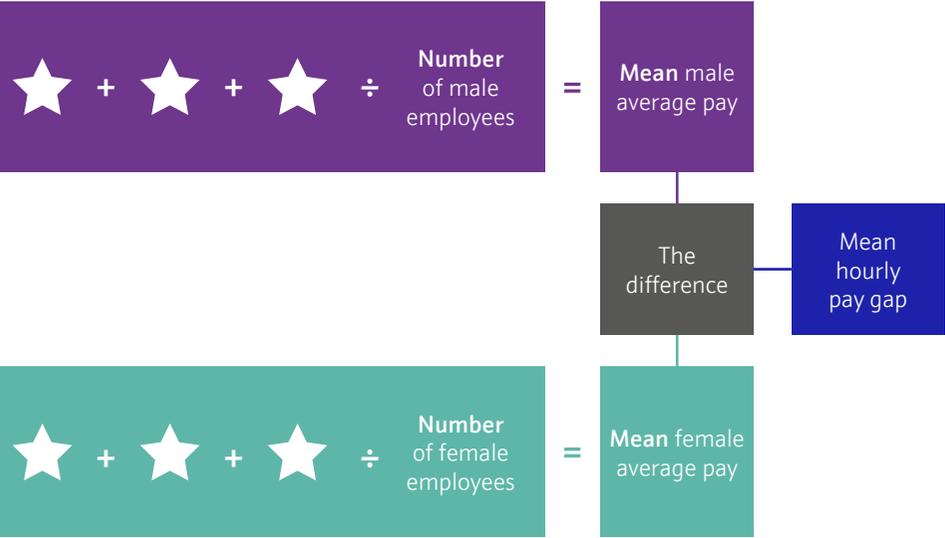


The mean pay gap

The mean gender pay gap is the difference in the average hourly Ordinary Pay rate for women compared to men.

The median pay gap

The median represents the mid-point. If you separately lined up all the women and men, the median pay gap is the difference between the hourly Ordinary Pay rate of the middle woman compared to that of the middle man.



Ordinary Pay is not limited to basic pay, but also includes other types of pay such as allowances, pay for leave and shift premium pay. It does not include pay for overtime or pay relating to redundancy / termination of employment. The figures used are gross before income tax and national insurance deductions but after any deductions for salary sacrifice benefits e.g. pension, childcare vouchers etc.

Understanding our pay gap

Johnson Matthey UK
Consolidated numbers including all UK employees

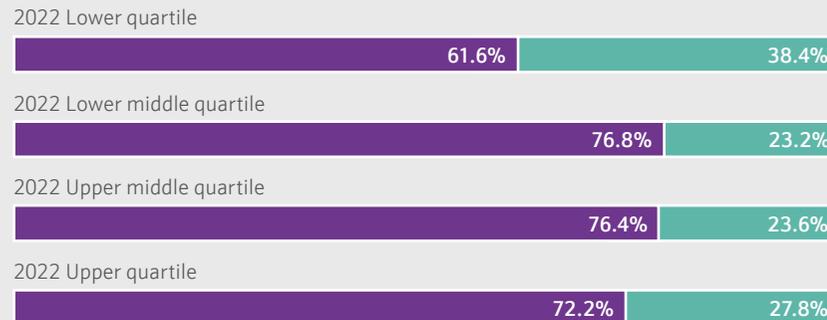
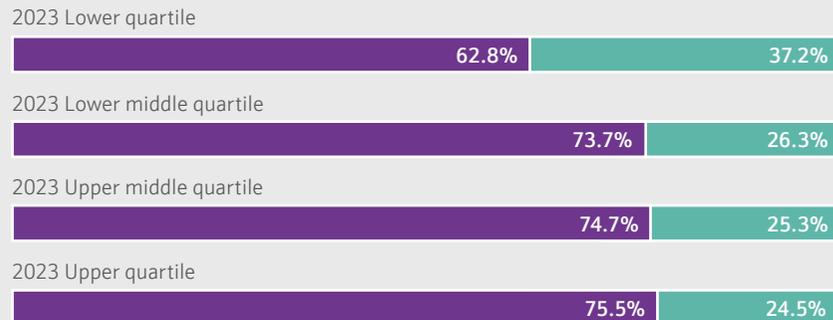
+14.3%
ONS Great Britain median pay gap

Men Women

100%
of Johnson Matthey



Population by pay quartiles



Understanding our pay gap

Johnson Matthey Plc
Our largest employing entity in the UK

+14.3%
ONS Great Britain median pay gap

Men Women

91%

of Johnson Matthey

29.6%
women

70.4%
men

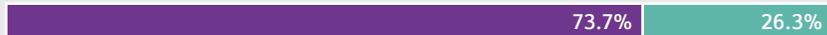


Population by pay quartiles

2023 Lower quartile



2023 Lower middle quartile



2023 Upper middle quartile



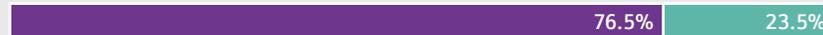
2023 Upper quartile



2022 Lower quartile



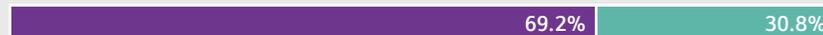
2022 Lower middle quartile



2022 Upper middle quartile



2022 Upper quartile



% receive a bonus payment

83.4%

% receive a bonus payment

83.6%

Understanding our pay gap

Our gender pay gap is largely driven by differences in workforce composition.

We have a large number of manufacturing roles held by men, which is consistent with the demographics of the wider economy. These roles attract a number of allowances, including shift premiums, which impacts our gender pay gap. If we were to look at our non-management population on a base salary only basis, we see a gender pay gap in favour of women.

In addition, while we have made good progress in addressing gender imbalance at our senior management levels, and in fact see a gender pay gap in favour of women here, the gender pay gap across our wider management level roles is impacted by the gender split across our functions.

For example, our pay ranges for IT are higher than for roles in Human Resources at the same grade, and as we have more male managers in IT and more female managers in HR, this uneven gender distribution contributes to our gender pay gap.

The increase we have seen in our gender pay gap this year is driven by a number of factors, including:

- The change in composition of the organisation
- Increases in some allowances received by our manufacturing roles to reflect market rates
- Greater attrition of females in management roles with a corresponding decrease in average hourly pay at those levels, suggesting higher paid females left the organisation
- Greater recruitment of males into higher paid functions like IT and Engineering



Anne Chassagnette
Chief Sustainability Officer

"The ability to attract and retain diverse talent is essential as we help to catalyse the net zero transition. We remain committed to taking meaningful action to increase female representation throughout the organisation."

What we are doing to eliminate the gap

We have continued to focus on gender as a key part of our Diversity, Inclusion and Belonging (DI&B) roadmap. During the year, we were ranked in the Top 100 Globally for Gender Equality by Equileap, demonstrating our commitment to equality.

Recruitment and talent management

Embedding diversity data into the application process continues to drive insights on where to attract diverse candidates.

Alongside our Talent Acquisition (TA) team, our DI&B team has built partnerships with organisations like the Society of Women in Engineering and Women in Chemicals to ensure we can source and attract the best talent from a range of diverse backgrounds into all our functions.

We continue to use gender neutral recruitment practices, using job adverts with gender neutral language to attract talent and diverse candidate shortlists to ensure diversity throughout the hiring process.

We continue to attract and recruit women onto our global graduate programmes. Female representation in the UK cohort was 25%, and globally 47% of this year's graduate programme hires were women in STEM, operations and commercial roles. The programme offers opportunities for international assignments so this focus on female representation in the global graduate programme is key to re-balancing the leadership pipeline for these functions.

Analysing our internal talent review processes, we have identified opportunities to develop talent in our female middle management population. We have started exploring women development programmes and are planning for pilot programme in the next financial year.

Awareness and education

At the core of work to promote DI&B is the work of our Employee Resource Groups (ERGs). Throughout the year, they organised webinars on topics such as LGBT+ paths to parenting, menopause and Neurodiversity.

During March 2023, our Gender Equality Network organised a programme of events to celebrate International Women's Day which included a session on how gender norms influence body language, mindset & inner confidence, an internal panel event featuring senior female leaders in the organisation discussing why equity matters, and an annual celebration of Women in JM event.

Standards and benefits

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

In February 2023 we conducted a survey and focus groups around our UK benefits, including a specific session with representatives from our ERGs on how we can make our benefits more inclusive to all. Feedback will be used to help identify opportunities for improving our UK benefits in the future to support attraction and retention.



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Declaration

We confirm the information and data reported are accurate as of the snapshot date 5th April 2023 and in line with the UK Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Annette Kelleher

Chief Human Resources Officer,
Johnson Matthey Plc

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