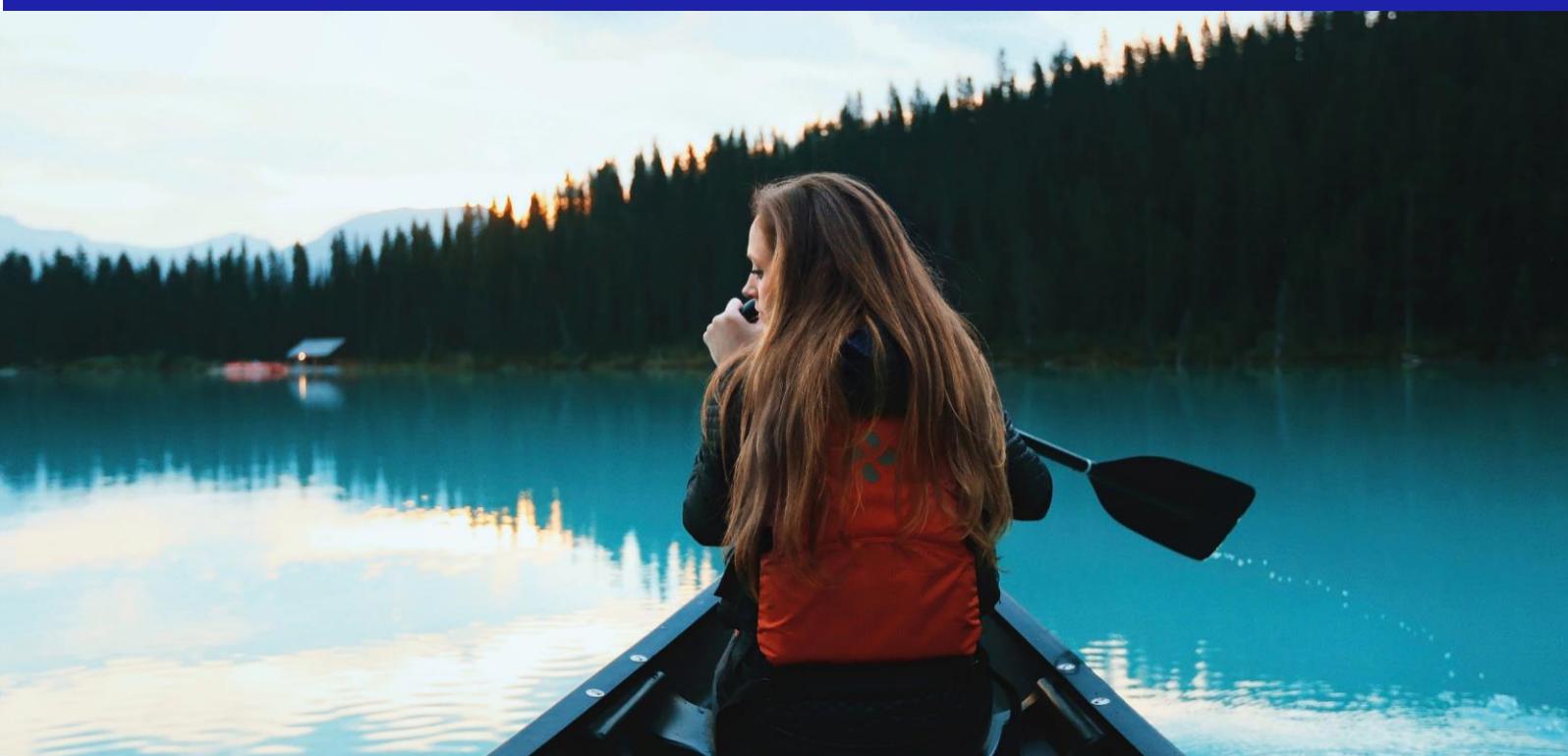




Johnson Matthey
Inspiring science, enhancing life

Modern Slavery and Human Trafficking Statement

Johnson Matthey Plc
Financial Year 2017/18



Johnson Matthey Plc

Modern Slavery and Human Trafficking Statement for the financial year 2017/18 (Modern Slavery Statement)

This Modern Slavery Statement is made under Section 54 of the Modern Slavery Act 2015 and sets out the steps taken by Johnson Matthey Plc and its group companies¹ (**Johnson Matthey**) during the financial year 2017/18 to prevent modern slavery and human trafficking in its business and supply chains.

Introduction and key areas of focus in 2017/18

We recognise modern slavery and human trafficking as a growing global concern and an important issue for Johnson Matthey, our employees, customers and other stakeholders. In accordance with our values and commitment to upholding the highest ethical standards, we are concerned to ensure that there is no modern slavery in our business or supply chains. This is Johnson Matthey's third Modern Slavery Statement. Johnson Matthey's previous modern slavery statements are available on our website.

During the past year we have continued to progress our programme to address modern slavery risk and increase supply chain accountability. In particular we:

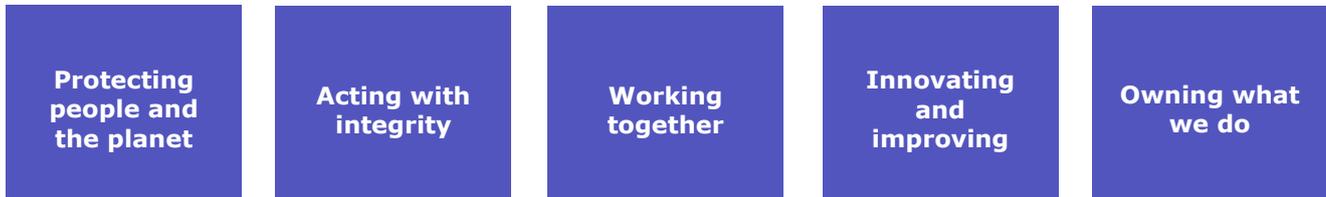
- published our Global Supplier Code of Conduct (**Supplier Code**) in December 2017. The Supplier Code includes human rights and labour practice standards which we expect our suppliers and service providers to comply with. The Supplier Code specifically covers modern slavery and human trafficking prohibitions;
- launched our sustainable business goals to 2025, which includes a specific goal aimed at improving sustainable business practices in our supply chains;
- continued to advance our group wide Supplier Sustainability Development Programme, to identify and manage suppliers considered to be exposed to the greatest risk of modern slavery and human trafficking within our supply chains; and
- strengthened modern slavery awareness across Johnson Matthey by providing an online training on modern slavery to 1,700 Johnson Matthey employees, whose role exposes them to the specific risk area of modern slavery (e.g. senior and general management, purchasing and logistics, production, operations, corporate functions and human resources).

Our structure, business and supply chains

Johnson Matthey is a global leader in science that makes the world cleaner and healthier. With over 200 years of sustained innovation and technological breakthroughs, our solutions improve the performance, function and safety of our customers' products. Our science has a global impact in areas such as low emission transport, pharmaceuticals, chemical processing and making the most efficient use of the planet's natural resources.

¹ Johnson Matthey Plc's Modern Slavery Statement for FY 2017/2018 is made on behalf of Johnson Matthey Plc and its group companies (including, but not limited to, Johnson Matthey Davy Technologies Limited, Johnson Matthey Precious Metals Limited, Macfarlan Smith Limited and Tracerco Limited).

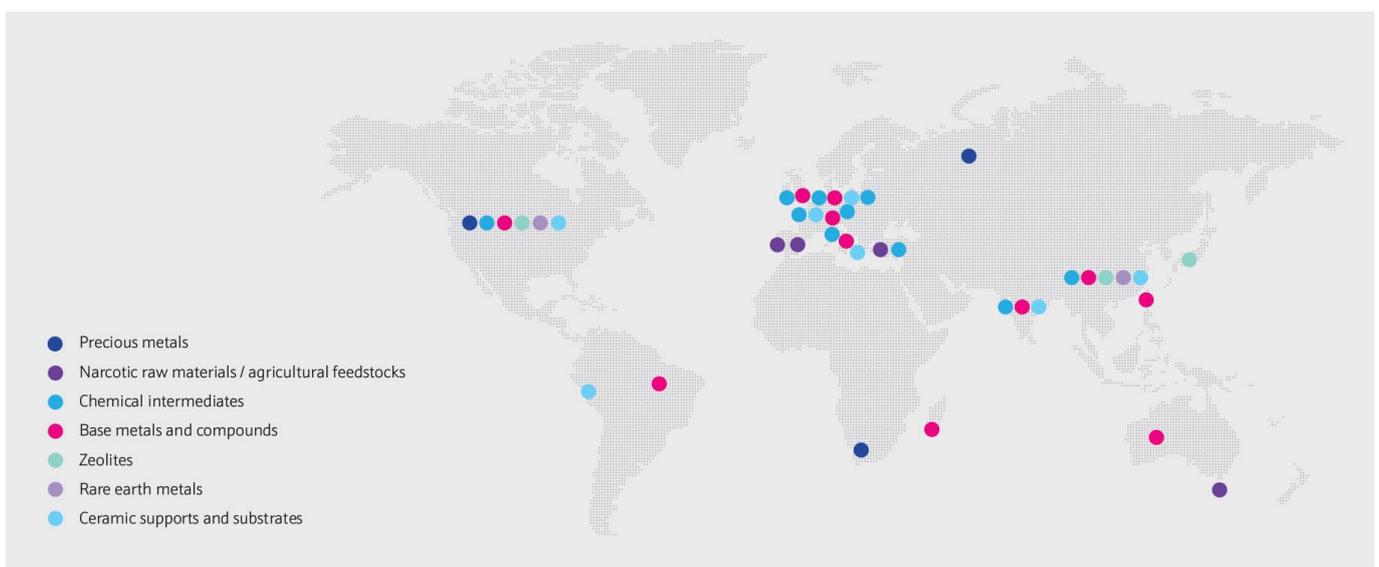
We have five values which guide how we do things in Johnson Matthey and shape the right culture to achieve our strategy.



We have a significant global presence in over 30 countries with annual sales (excluding precious metals) in the 2017/18 financial year of £3,864 million. Today, more than 14,000 Johnson Matthey professionals collaborate with our network of customers and partners to make a real difference to the world around us. Johnson Matthey spent £193 million (gross) on research and development during 2017/18. Our Global operations are organised into four sectors: Clean Air, Efficient Natural Resources, Health and New Markets.

We meet our customers’ needs from our 43 major manufacturing sites across all regions (14 in Europe, 12 in North America, five in China, six in the rest of Asia and five in the rest of world). Due to the diverse nature of our manufactured products and markets served, Johnson Matthey has a complex and geographically broad range of suppliers of raw materials, goods and services into our business. Some of our strategic raw materials are available from only a limited number of countries. The countries we rely on for these materials are highlighted in the map below. Our annual purchases, excluding precious metal and substrate for autocatalyst, are approximately £1.5 billion. These purchases are made across 118 Johnson Matthey sites.

Where we source strategic raw materials



Policies

We have a number of group policies in place which reinforce our commitment to protecting human rights and in particular focusing on the elimination of modern slavery and human trafficking within our business and supply chains.

Our **Ethical and Sustainable Procurement Policy** covers purchases of goods and services and states our commitment to international guidelines and principles, including addressing modern slavery risks and respecting human rights. Our Ethical and Sustainable Procurement Policy is available via our corporate website: <https://matthey.com/enhancing-life/sustainability-governance/policies>

One of the main ways we promote an ethical culture at Johnson Matthey is through our global **code of ethics, 'Doing the Right Thing'**, which is central to the way we act as an organisation <https://matthey.com/about-us/governance/code-of-ethics> The code of ethics is available in 22 languages and contains information and resources that enable our employees to make the right choices in line with our values and demonstrate the highest standards of integrity and ethical behaviour. The Human Rights section of the code of ethics sets out our commitment to the principles defined within the International Labour Organization Core Conventions, the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

We plan to refresh our existing code of ethics during 2018 in line with best practice. In particular, greater focus will be placed on Johnson Matthey's commitment to tackling modern slavery and employees' responsibility for raising concerns regarding modern slavery in any part of Johnson Matthey or its supply chains.

Within Johnson Matthey we promote a **'speak up'** culture encouraging everyone to speak up when they have a concern or are unsure about something. We also provide employees (and third parties) with an independently run speak up helpline (which can also be accessed online) where concerns can be raised. This helpline also allows individuals, where local law permits, to remain anonymous. The helpline is available to everyone and not just Johnson Matthey employees. An Ethics Panel made up of senior leaders meets monthly to provide oversight of investigations into all speak ups received. The Ethics Panel reports three times a year to the board.

During 2017/18, 144 speak ups were received and investigated which, given our size, is in line with the industry norm in terms of volume. In the 2017/18 financial year there were no modern slavery concerns raised against Johnson Matthey or its supply chains.

Johnson Matthey's new sustainable business framework

Sustainable business goals to 2025

As part of Johnson Matthey's new sustainable business framework, our sustainable business goals to 2025 were launched in the financial year 2017/18. Under goal 4, we aim to improve sustainable business practices in our supply chains. We will measure performance against this goal through supplier compliance with the sustainable standards in the Supplier Code (referenced below). Our goal is to achieve compliance against the sustainable standards in the Supplier Code among 100% of our tier 1 strategic suppliers by 2025.

Launch of our Supplier Code

Our Supplier Code was published in December 2017 and is available on our website in English, Polish and Mandarin <https://matthey.com/enhancing-life/sustainability-governance/policies> The Supplier Code sets out the standards Johnson Matthey expects of suppliers relating to human rights and labour practices, health and safety, environmental sustainability and business ethics.

The Supplier Code is targeted at all suppliers that do business with Johnson Matthey, and is being rolled out to existing and new suppliers. Adherence to the Supplier Code provides one of the building

blocks to our supplier evaluation process. The Supplier Code requires suppliers to cascade the same principles in the Supplier Code to their sub-suppliers.

Modern slavery and human trafficking standards within the Supplier Code

In relation to modern slavery and human trafficking, the Supplier Code states that suppliers shall:

- comply with all applicable international conventions and national laws regarding working conditions and labour standards;
- not use enslaved or involuntary labour of any kind, including prison labour or debt bondage;
- not be involved in human trafficking;
- ensure all overtime is voluntary;
- provide all employees with written and understandable information about their employment conditions in respect to wages, benefits and working hours before they enter employment;
- pay all wages promptly and in full;
- not make any deductions from wages as a disciplinary measure nor without the expressed permission of the worker; and
- have a formal grievance mechanism for workers to report incidents of harassment, abuse, breaches of privacy and other concerns, available and communicated to all workers. All grievance reports should be investigated and, where appropriate, action taken to redress the situation and prevent further occurrences.

The Supplier Code supports our Ethical and Sustainable Procurement Policy, which the business will continue to implement across its supply chains. Prior to the publication of the Supplier Code, Ethical Trading Initiative reviewed and provided comments on the Supplier Code, which were incorporated.

Assessment and management of modern slavery within our supply chains

Focus on our supply chains

We operate in some territories at the higher end of the Global Slavery Index² spectrum. However, there are a number of factors that we believe lower the risk of modern slavery within our business. These factors are due to our operational requirements and include:

- our manufacturing sites handle high value materials, therefore we undertake thorough security checks when recruiting operational staff and we do not use large numbers of temporary or seasonal staff; and
- we operate complex chemical processes, therefore we do not use a significant amount of unskilled labour and we do not have a routinely high turnover of employees.

Based on this assessment, our priority in addressing modern slavery has been to focus on risk mapping and assessing our supply chains. Nevertheless, we are aware that we are not immune from being

² The 2018 Global Slavery Index, Walk Free Foundation.

exploited by criminals who traffic people and subject them into slavery, and we intend to also focus on assessing the risk in our own business.

Supplier Sustainability Development Programme

As part of our focus on our supply chains, we are implementing a consistent group-wide standard of sustainability supplier risk assessment and due diligence under our Supplier Sustainability Development Programme (**SSDP**). In accordance with the SSDP we have developed a risk mapping tool, which classifies suppliers based upon risk (which, amongst other risks, includes modern slavery risk) supplier spend, and supplier type. Following the risk mapping exercise, suppliers considered to present the greatest risk are required to undertake a supplier self-assessment questionnaire (which includes modern slavery indicators) and, where appropriate, partake in an on-site audit process. When issues arise, we identify corrective actions and follow up on progress.

During the 2017/18 financial year, we identified our top 227 tier 1 suppliers by procurement spend across Johnson Matthey. Using the SSDP risk mapping tool, of these top 227 tier 1 suppliers, 70 were identified as being higher risk for modern slavery, based on their location and industry. Out of the 70 higher risk top tier 1 suppliers for modern slavery, 11 have been assessed through our SSDP and none of these were found to have indicators of modern slavery.

We intend to continue placing the identified higher risk top tier 1 suppliers for modern slavery through the SSDP during the financial year 2018/2019.

Global Procurement Strategy

Procurement is a key global activity for Johnson Matthey and we have begun implementing a Procurement Excellence programme in the 2017/18 financial year. Professionalising procurement within Johnson Matthey means that we will be able to manage our suppliers better, which has many benefits, including reducing supply chain risk.

We have also begun to move to a Global Procurement Strategy and have to capture data on a consistent basis to, not only, fully understand where the procurement opportunity lies, but to have a more transparent overview of our supply chain. It is anticipated that the Global Procurement Strategy will support Johnson Matthey's aim to improve sustainable business practices in our supply chains.

Group Supply Chain Governance Team

Our Group Supply Chain Governance Team comprises senior leaders from Sustainability, Legal, Group Ethics & Compliance, Supply Chain and Procurement functions across Johnson Matthey. The remit of the team is to discuss emerging global supply chain issues, the changing regulatory landscape and Johnson Matthey's obligations and strategy to address these. During the year, the team received a modern slavery awareness refresher session and covered the latest developments in risk assessment and due diligence from a modern slavery perspective.

Effectiveness of preventing modern slavery in our supply chains

In accordance with goal 4 of our sustainable business goals to 2025, measurement of supplier performance against the standards in the Supplier Code will help us assess our progress in addressing the risk of modern slavery in our supply chains.

We set out the following performance indicators for the 2017/18 financial year. Looking towards future financial years, these performance indicators will enable us to monitor and report on the effectiveness of our efforts to address modern slavery.

Performance indicator	2017/18 (number)
Number of suppliers assessed under the SSDP	97
Number of supplier non-conformances for child labour identified under the SSDP	0
Number of supplier non-conformances for forced labour identified under the SSDP	0
Number of top tier 1 suppliers by procurement spend, considered higher risk for modern slavery	70
Number of top tier 1 suppliers by procurement spend, considered higher risk for modern slavery, who have been assessed under the SSDP	11
Number of top tier 1 suppliers by procurement spend, considered higher risk for modern slavery, who are complying with the standards set out in the Supplier Code	9 ³
Number of reports concerning modern slavery raised through Johnson Matthey's speak up process	0

Training and awareness

During the 2017/18 financial year, we strengthened modern slavery awareness across Johnson Matthey by providing online training on modern slavery to 1,700 Johnson Matthey employees, whose role exposes them to the specific risk area of modern slavery (e.g. senior and general management, purchasing and logistics, production, operations, corporate functions and human resources).

We have a network of over 85 ethics ambassadors (with roles throughout our operations globally) who help to bring our code of ethics to life, supporting senior leaders with their responsibilities for ethics and compliance and promoting a good ethical culture. A modern slavery and human trafficking awareness session was again part of the agenda for our global ethics ambassador conference this year.

During the 2018/19 financial year we intend to partner with an external provider to deliver a training programme to members of our human resources team, to raise awareness on how to identify indicators of modern slavery and what to do if these indicators are identified.

³ Although there were two top tier 1 suppliers by procurement spend, considered to be higher risk for modern slavery, who did not comply with certain standards in the Supplier Code, the non-compliances were not related to modern slavery and human trafficking standards

Our intent

Johnson Matthey is committed to ensuring that there is no modern slavery in our business or supply chains. We aim to demonstrate that this by undertaking the steps outlined in this Modern Slavery Statement. In accordance with our sustainable business goals to 2025, we aim to improve sustainable business practices in our supply chains by ensuring supplier compliance with our minimum standards on human rights and modern slavery.

This Modern Slavery Statement was approved by the Board of Directors on 26 July 2018 and signed by John Walker, Executive Director.

A handwritten signature in black ink, appearing to read 'John Walker', with a stylized flourish at the end.

John Walker – Executive Director