

# Welcome to your CDP Water Security Questionnaire 2022

## W0. Introduction

### W0.1

#### **(W0.1) Give a general description of and introduction to your organization.**

Johnson Matthey is a leader in sustainable technologies. Today, some 84.7% of the group's sales represent products and services which provide sustainability benefits through their positive impact on the environment, resource efficiency or our health, as determined by their alignment with four of the UN SDGs. Are sales and R+D efforts are aligned to good health and wellbeing (UNSDG 3), affordable and clean energy (UN SDG 7), responsible consumption and production (UN SDG 12) and climate action (UN SDG 13)

Our business is divided into four sectors for reporting purposes, based around the four different applications of our products:

1. Clean Air Sector - catalysts for gasoline and diesel powered vehicles, including hybrids, trucks buses, non-road machinery and stationary equipment
2. Efficient Natural Resources Sector - Catalyst Technologies and additives, licenses process technology and services to the chemical and oil & gas industry; precious metal refining and recycling services to a wide variety sectors from industrial chemicals to jewellery.
3. Hydrogen Technologies Sector - provides battery materials for automotive applications and battery systems for a range of non automotive applications; fuel cell technologies for automotive and stationary applications; Medical Device Components and advanced catalysts derived from precious metals to the pharmaceutical and agricultural chemicals markets
4. Health Sector - Leading provider of complex chemistry solutions to generic and innovator pharmaceutical companies; develops and manufactures active pharmaceutical ingredients (APIs) for a variety of treatments. This business was divested in June 2022 (after year end).

We have operations in over 30 countries and employ around 14,000 people worldwide.

Our latest annual integrated report can be found at <https://matthey.com/ar22>

For more information about Johnson Matthey, see our corporate website : [www.matthey.com](http://www.matthey.com)

### W-CH0.1a

#### **(W-CH0.1a) Which activities in the chemical sector does your organization engage in?**

Specialty inorganic chemicals

Other, please specify

catalysts for the chemicals industry

## W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	April 1, 2021	March 31, 2022

## W0.3

**(W0.3) Select the countries/areas in which you operate.**

Argentina  
Australia  
Brazil  
Canada  
China  
Finland  
Germany  
Hong Kong SAR, China  
India  
Israel  
Japan  
Malaysia  
Mexico  
Netherlands  
North Macedonia  
Poland  
Republic of Korea  
Russian Federation  
South Africa  
Sweden  
Switzerland  
Thailand  
United Kingdom of Great Britain and Northern Ireland  
United States of America

## W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

GBP

## W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which financial control is exercised

## W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

## W0.7

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	GB00BZ4BQC70

## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	All our manufacturing operations require a supply of clean water. In many cases we can, and do, use recycled water and perform the final purification step on site. All our strategic suppliers use water to perform their own mining or manufacturing operations to produce our raw materials; Some of our customers require large volumes of water for their manufacturing or processing operations using our products
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Vital	All our manufacturing operations require a supply of clean water. In many cases we can, and do, use recycled water and perform the final purification step on site. All our strategic suppliers use water to perform their own mining or manufacturing operations to produce our raw materials; Some of our customers require large volumes of water for their manufacturing or processing operations using our products. If clean

			water is not available we can purify, but it is vital that we have a supply of water.
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## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	All sites operated by Johnson Matthey are required to report their total water withdrawals to JM Group annually, These data are typically collected from meter readings and then verified against water billing information.
Water withdrawals – volumes by source	100%	All sites operated by Johnson Matthey are required to report their total water withdrawals by source to JM Group annually, These data are typically collected from meter readings and then verified against water billing information.
Water withdrawals quality	100%	All sites monitor the quality of their incoming water to ensure it is fit for purpose. However, we do not collate information on water withdrawal quality at Group level, as it is not a useful KPI. All sites locally determine whether the water they are withdrawing of adequate quality to use for the purpose they require.
Water discharges – total volumes	100%	All sites operated by Johnson Matthey are required to report their total water discharges to JM Group annually, These data are typically collected from meter readings and then verified against water billing information.
Water discharges – volumes by destination	100%	All sites operated by Johnson Matthey are required to report their total water discharges to JM Group annually, These data are typically collected from meter readings and then verified against water billing information.
Water discharges – volumes by treatment method	100%	All sites operated by Johnson Matthey are required to report their total water discharges to JM Group annually, These data are typically collected from meter readings and then verified against water billing information.

Water discharge quality – by standard effluent parameters	76-99	The majority of our manufacturing sites monitor water discharge quality using the COD method . Our sites manufacturing active pharmaceutical ingredients perform more detailed speciation analysis of wastewater on discharge.
Water discharge quality – temperature	Not monitored	This occurs at some manufacturing sites according to local permit requirements, but we do not collate information about it at Group level.
Water consumption – total volume	100%	All sites operated by Johnson Matthey are required to report their total water consumption to JM Group annually, These data are typically collected from meter readings and then verified against water billing information.
Water recycled/reused	100%	We monitor the recycling of water on our manufacturing sites, where the water passes through one of our on-site wastewater treatment facilities. We do not monitor re-use of water on a plant where there is no water treatment step necessary between uses.
The provision of fully-functioning, safely managed WASH services to all workers	100%	All JM manufacturing sites offer fully-functioning, safely managed WASH services to all workers. In most of our facilities which handle chemicals, staff are required to change out of their uniforms, which are laundered onsite by the company. Washing and showering before leaving a facility is expected of all workers who handle chemicals.

## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	2,276	Higher	Explanation provided in our Annual Report for 2021/22. "In 2021/22, we used 6% more water than the previous year and our water efficiency declined slightly to 19.5m3 of water per tonne of product sold. This was an accumulation of a number of local effects. For example, one of our sites in India operated a specific manufacturing

			process more frequently this year, which requires more water to work efficiently this year, which requires more water to work efficiently. At another of our sites, in Malaysia, a fire hydrant leak led to a rise in water use. However, our water use remains 4.2 % lower than our 2020 baseline."
Total discharges	1,638	Lower	Some of our manufacturing sites include rainwater in their metered water discharge to municipal sewer. Our lower discharge this year is a result of significantly less rainfall at our site in Clitheroe, UK.
Total consumption	638	Higher	Our total consumption has risen this year due to the influence of rainwater on our water discharge numbers, which were much lower than usual this year. Our total water withdrawals increased by 6% and this is a better measure of our true water usage.

## W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	Please explain
Row 1	Yes	Using the WRI aqueduct tool we considered sites that have high or extremely high baseline water stress in this figure.

## W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	39	Lower	Less water extracted and used for process cooling at one of JM's sites. This is small decrease relative to overall water usage

Brackish surface water/Seawater	Not relevant			We don't use any brackish surface water/seawater
Groundwater – renewable	Relevant	100	Higher	Increase production rates resulted in additional water usage at site in Sevierville.
Groundwater – non-renewable	Relevant	29	Higher	Increased utilisation of groundwater at one of our Indian site for increased production.
Produced/Entrained water	Not relevant			We do not produce any entrained water according to CDP definition.
Third party sources	Relevant	2,108	Higher	This is clean water purchased from municipal authorities. It has increased by 6% this year. due to new sites being commissioned and ramping up production. There was also an equipment issue at one of our larger plants in the UK during the year that caused a need to use significantly more water for a period; it has now been repaired.

## W1.2i

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	116	About the same	Broadly in line with previous years reporting
Brackish surface water/seawater	Relevant	10	About the same	Broadly in line with previous years reporting
Groundwater	Not relevant			We do not discharge any water to ground water
Third-party destinations	Relevant	1,512	Lower	9% lower than last year, very similar levels to 2019/20 years reporting. Lower levels of rainfall at metered sites this year meant that less

				wastewater was sent to municipal sewer.
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## W1.2j

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant				We do not do tertiary treatment at our sites
Secondary treatment	Not relevant				We do not do secondary treatment at our sites
Primary treatment only	Relevant	825	About the same	41-50	We use primary treatment at 28 of our 60 production facilities. In total 825 mega litres of wastewater is discharged following treatment within our sites, out of a total of 1638 mega litres discharged
Discharge to the	Relevant	126	About the same	1-10	In total 126 mega litres



natural environment without treatment					of water is discharged to the natural environment out of a total of 1638 mega litres discharged
Discharge to a third party without treatment	Relevant	687	Lower	41-50	18% lower than last year, very similar levels to 2019/20 years reporting. Lower levels of rainfall at metered sites this year meant that less wastewater was sent to municipal sewer.
Other	Not relevant				

### W1.3

**(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	16,025,000,000	2,275	7,043,956.04395604	We have set a target to reduce our net water consumption by 25% by 2030 (from a 2020 baseline). We have already begun some water efficiency projects at a number of our sites, and are planning several more as part of our asset renewal programs. Thus over the next few

				year we expect to see a significant improvement in our water efficiency - in line with our target.
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## W-CH1.3

**(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?**

Yes

## W-CH1.3a

**(W-CH1.3a) For your top five products by production weight/volume, provide the following water intensity information associated with your activities in the chemical sector.**

**Product type**

Specialty inorganic chemicals

**Product name**

vehicle emissions exhaust catalysts

**Water intensity value (m3)**

6.6

**Numerator: water aspect**

Total water withdrawals

**Denominator**

Ton

**Comparison with previous reporting year**

About the same

**Please explain**

Intensity broadly the same due to a increase in global output that was a similar percentage to the increase in overall water usage.

**Product type**

Specialty inorganic chemicals

**Product name**

catalysts for the bulk chemicals industry

**Water intensity value (m3)**

38.1

**Numerator: water aspect**

Total water withdrawals

**Denominator**

Ton

**Comparison with previous reporting year**

About the same

**Please explain**

Intensity broadly the same due to a increase in global output that was a similar percentage to the increase in overall water usage.

## W1.4

**(W1.4) Do you engage with your value chain on water-related issues?**

Yes, our suppliers

## W1.4a

**(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?**

**Row 1**

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**% of suppliers by number**

None currently, but we plan to request this within the next two years

**Rationale for this coverage**

We launched an enhanced supplier code of conduct in March 2021. We have begun to collect information from our strategic suppliers about their water use as part of our supplier relationship management program, focussing first on those raw materials which we define as critical to our business success.

Water risks will then form part of our standard supplier environmental sustainability assessment process going forward.

**Comment**

## W1.4b

**(W1.4b) Provide details of any other water-related supplier engagement activity.**

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**Type of engagement**

Onboarding & compliance

### **Details of engagement**

Requirement to adhere to our code of conduct regarding water stewardship and management

### **% of suppliers by number**

76-100

### **% of total procurement spend**

76-100

### **Rationale for the coverage of your engagement**

We launched an enhanced supplier code of conduct in March 2021. We have begun to collect information from our strategic suppliers about their water use as part of our supplier relationship management program, focussing first on those raw materials which we define as critical to our business success.

Obtaining information on the quantity of water our suppliers use to make the materials we buy from them will start to form part of our standard supplier environmental sustainability assessment process going forward. We also plan to install an enhanced data management system that will enable us to count the number of suppliers (by % spend) that we have collected the information from.

### **Impact of the engagement and measures of success**

Measure of success is that we do not suffer an issues with product quality or supply due to water-related issues at the supplier's manufacturing facilities. We also do not suffer any negative reputational impact from being associated with a supplier that does not manage its water activities to be benefit of its local communities.

### **Comment**

## **W2. Business impacts**

### **W2.1**

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

### **W2.2**

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

## W3. Procedures

### W-CH3.1

#### **(W-CH3.1) How does your organization identify and classify potential water pollutants associated with its activities in the chemical sector that could have a detrimental impact on water ecosystems or human health?**

JM manufactures and trades in chemicals and finished products into a number of sectors, e.g. pharmaceuticals, catalysis, precious metals, automotive, medical devices etc. Our manufacturing operations around the world are ISO14001 certified, or are working towards achieving certification following acquisition.

JM has corporate policies that require operations to actively manage discharges to surface and ground waters, minimising polluting releases. This requires maintaining an inventory of actual and potential discharges, developing an understanding of their toxicity and potential impacts, and establishment of targets for improvement. Our corporate EHS assurance team undertakes comprehensive audits of our site's compliance with these policy requirements and associated procedures on a regular basis (sites are generally audited every 2-3 years depending on size and type of operation, risk profile etc.). Audit findings are reported via our Group EHS Leadership Committee (Chaired by a GMC Member) into the Group Management Committee. Sites will specifically target substances identified on the basis of toxicity, persistence and bioaccumulation, also taking into account specific criteria and substances laid down in applicable legislation, e.g. Water Framework Directive in the EU and site permits. Again, we have corporate policies (which are subject to regular audit), e.g. New Product Introduction – Product Stewardship, which require sites to review toxicity of raw materials, intermediates and finished products as part of the product development process. Materials are classified, by experienced toxicology and regulatory affairs teams, according to the prevailing hazard classification system in the country of operation, which is generally to UN-GHS. As products move to commercial scale, (eco)toxicity data will be generated according to applicable test guidelines in support of chemical notifications/registrations such as EU-REACH. In addition, these data and the associated chemical safety assessments will directly impact the guidance (safety data sheets) issued to customers on how to minimise impacts of potential water pollutants from our products during their use-phase.

Given the nature of our business, it is inorganic and heavy metal substances that constitute the predominant potential water pollutants on our sites. Through our memberships at trade associations such as Eurometaux and Cefic, we are able to monitor developments in regulations, hazard characterisation methodologies e.g. HERAG and MERAG, and risk management measures across relevant sectors to JM.

In 2016/17 we introduced a more detailed reporting system for waste disposal across the group, allowing us to better track and report the considerable efforts our sites are making in minimising their waste streams and disposing of waste in the most responsible way. These data are also helping to highlight areas where additional focus is required, e.g. it has led to the drive to reduce the amount of dilute aqueous hazardous waste from one of our metal refineries requiring third-party (off-site) treatment.

In 2017 we implemented a programme to review chemistries relevant to JM that may be considered high hazard, or potentially facing regulatory or stakeholder pressures, with an aim of developing a list of substances that require prior approval from senior management before entering into new product R&D with that substance. Potential water pollutants would be candidates for review by the Prior Approval Required Substances (PARS) List Committee, and in fact Chromium compounds were recently reviewed and included on the PARS List.

## W-CH3.1a

**(W-CH3.1a) Describe how your organization minimizes adverse impacts of potential water pollutants on water ecosystems or human health. Report up to ten potential pollutants associated with your activities in the chemical sector.**

Potential water pollutant	Value chain stage	Description of water pollutant and potential impacts	Management procedures	Please explain
COD	Direct operations	COD = Indirect measure of organic compounds in aqueous effluent & is a useful measure of water quality.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages	There are regulated local emission limits at each facility. We ensure that we comply with our legal obligations and (as a minimum) meet or (preferred) surpass the required standards.
Chromium and its compounds	Direct operations Supply chain	Listed under e.g. EU Water Framework Directive, based on toxicological properties.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use R&D into less harmful alternative products	Compliance with permits and effluent quality standards. Materials are shipped in compliant packaging as appropriate. Ensuring customers receive robust guidance on product use. Listing of chromium(VI) on our Prior Approval Required Substances list to ensure senior management approve development of any new products involving this substance
mercury	Direct operations	Listed under e.g. EU Water Framework Directive, based on PBT properties. Mercury	Compliance with effluent	Compliance with permits and effluent quality standards.

		can be a component of some pgm refinery feedstocks and will be part of our refinery wastestreams. We also utilised mercury in quality control tests in some parts of JM	quality standards Measures to prevent spillage, leaching, and leakages	Materials are shipped in compliant packaging as appropriate. Ensuring customers receive robust guidance on product use.
lead	Direct operations Supply chain Product use	Listed under e.g. EU Water Framework Directive, based on toxicological properties. Lead can be a component of some pgm refinery feedstocks and will form part of the refinery process waste. Lead is also a constituent of one JM product.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use R&D into less harmful alternative products	Site permits and quality standards are in place to minimise the impacts from our direct operations. Safety data sheets provide clear information to customers on the hazards and how best to mitigate these.
cobalt	Direct operations Supply chain Product use	Listed under e.g. EU Water Framework Directive, based on toxicological properties. Also subject to regulatory scrutiny under EU-REACH etc. Cobalt compounds feature in our product portfolio, for use in catalytic applications under controlled conditions.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use R&D into less harmful alternative products	Site permits and quality standards are in place to minimise the impacts from our direct operations. Safety data sheets provide clear information to customers on the hazards and how best to mitigate these.
silver	Direct operations Supply chain	Listed under e.g. EU Water Framework Directive, based on toxicological properties. Silver products for part of our	Compliance with effluent quality standards	Site permits and quality standards are in place to minimise the impacts from our direct operations.

	Product use	product portfolio.	Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use R&D into less harmful alternative products	Safety data sheets provide clear information to customers on the hazards and how best to mitigate these.
nickel	Direct operations Supply chain Product use	Listed under e.g. EU Water Framework Directive, based on toxicological properties. nickel products for part of our product portfolio.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use R&D into less harmful alternative products	Site permits and quality standards are in place to minimise the impacts from our direct operations. Safety data sheets provide clear information to customers on the hazards and how best to mitigate these.
copper	Direct operations Supply chain Product use	Listed under e.g. EU Water Framework Directive, based on toxicological properties. copper products for part of our product portfolio.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use R&D into less harmful alternative products	Site permits and quality standards are in place to minimise the impacts from our direct operations. Safety data sheets provide clear information to customers on the hazards and how best to mitigate these.



zinc	Direct operations Supply chain Product use	Listed under e.g. EU Water Framework Directive, based on toxicological properties. Zinc products for part of our product portfolio.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use R&D into less harmful alternative products	Site permits and quality standards are in place to minimise the impacts from our direct operations. Safety data sheets provide clear information to customers on the hazards and how best to mitigate these.
chlorine	Direct operations Supply chain	Listed under e.g. EU Water Framework Directive, based on PBT properties. Chlorine can be a component of some pgm refinery feedstocks and will be part of our refinery waste streams.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages	Compliance with permits and effluent quality standards. Materials are shipped in compliant packaging as appropriate. Ensuring customers receive robust guidance on product use.

### W3.3

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

### W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market  
Enterprise risk management  
International methodologies and standards

**Tools and methods used**

WRI Aqueduct

**Contextual issues considered**

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Employees  
Local communities  
Water utilities at a local level  
Other water users at the basin/catchment level

**Comment**

We have conducted an assessment of all our operations using the WRI Aqueduct tool this year (2022)

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**Value chain stage**

Supply chain

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Enterprise risk management

**Tools and methods used**

Enterprise Risk Management

**Contextual issues considered**

Implications of water on your key commodities/raw materials

Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Local communities

Suppliers

**Comment**

We have not yet assessed water risks as a standalone issue in our supply chains.

Availability of a secure supply of sufficient freshwater may be assessed as part of our normal due diligence processes with strategic suppliers on a case by case basis.

## W3.3b

**(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

We assess water risks using three processes:

1. We perform an annual assessment of longer-term water related risks from water stress for all our manufacturing facilities using WRI aqueduct tool. This is done for all our manufacturing sites based on their geographical location and current water usage. The results are reported in our Annual report 2022 on page 46.

2. We use an external consultant (insurance provider) to assess the impact of weather-related water risks (drought, storm & flood) on our own operations and those of our strategic suppliers of raw materials, using 3 standard climate scenarios: SSP1-2.6, SSP2-4.5 and SSP5-8.5. The results of this work on the resilience of both our own operations and our supply chains to these kinds of weather-related events are reported in our TCFD disclosure in our Annual report on pages 66-67

3. Water risk assessment is fully integrated into multi-disciplinary company-wide risk identification, assessment, and management processes. Results from the two Group-led processes, described above, are shared with individual at site and business level as appropriate, where potential risks are flagged. Each business continually reviews its own level of risk and complete a formal submission, using the enterprise risk management framework, every six months.

We operate a three-lines-of-defence risk assurance model. The first line represents operational management – the people who own and manage risk on a day-to-day basis, using effective internal controls. Group functions and sectors monitor and oversee these activities, representing governance and compliance – the second line. The third line is

the independent assurance over these activities that our Group Assurance function and other third parties provide. Functions, sectors and site teams are responsible for identifying, assessing and prioritising their risks. They also consider how likely it is that a risk will happen and what effect that would have on our objectives. This includes reviewing whether a risk has changed, how strong the controls we use to manage the risk are, and whether mitigating actions are in place. We use a self-assessment process to report on whether the most relevant controls are still appropriate.

Our Risk process is described in full on pages 70-80 of our 2022 Annual Report.

<https://matthey.com/investors/report-archive/annual-report-2022>

## W4. Risks and opportunities

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, both in direct operations and the rest of our value chain

### W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

All risks are scored using a standardised scoring methodology (1-5), which operates on two levels:

1. Principal risk level
2. Operational business risk level

Both of these methodologies require risk to be scored on both financial and strategic level.

Water availability or cost is not a principal business risks to our company. as we are relatively low user of water in all the regions in which we operate, and none of our products requires large amounts for production (see responses elsewhere in disclosure for evidence) in our own operations.

Water risks are only identified at the Operational risk level. Therefore, operational risks identified at strategic sites are the only ones that meet the criteria to be included in response to W1.4.

We have 8 (out of 53) sites that are classified as "strategic " because their failure could have a substantive financial impact on the business.

These substantive sites are comprised of :

1. our platinum group metal refineries, which are strategic because they supply precious metal (as a critical raw material) to the rest of our global manufacturing facilities;

2. our global research centre because of its importance to our long term profitability
3. those manufacturing facilities that are our largest individual contributors to our revenues/profits (as a percentage of total profits) . The individual financial contributions to the Group profits for each of these manufacturing sites is commercially sensitive and thus confidential.

We define strategic suppliers as those suppliers of raw material that are critical to the operation of our strategic products. We assess them for water risk as we do our own operations.

## W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	1	1-25	Only one of our Strategic sites is situated in a region of high or extremely high water stress, as defined by the WRI Aqueduct risk assessment tool.

## W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

### Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland  
Thames

### Number of facilities exposed to water risk

1

### % company-wide facilities this represents

1-25

### % company's total global revenue that could be affected

Unknown

### Comment

The answer to the "% company's total global revenue" is known but it is commercially sensitive information; we cannot include it in this public disclosure to the level of accuracy required by the drop down boxes.

## W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

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### Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland  
Thames

### Type of risk & Primary risk driver

Acute physical  
Drought

### Primary potential impact

Disruption to sales

### Company-specific description

WRI aqueduct tools classifies sites in the Greater London Area as in a region of high baseline water risk. However, the water network in the UK is very advanced and so the risk of disruption to supply due to prolonged drought is extremely low. In the event of site failure due to water supply restrictions, production would cease and this would have a knock on effect on other JM sites, which use precious metals from our Brimsdown refinery as part of their supply chain. At a local level this risk is extremely low, but the impact would be severe due strategic nature of the site.

### Timeframe

1-3 years

### Magnitude of potential impact

Medium-high

### Likelihood

Exceptionally unlikely

### Are you able to provide a potential financial impact figure?

Yes, an estimated range

### Potential financial impact figure (currency)

### Potential financial impact figure - minimum (currency)

1

**Potential financial impact figure - maximum (currency)**

1,000,000,000

**Explanation of financial impact**

This figure is know but the information is commercially sensitive, so will not be provided here.

**Primary response to risk**

Amend the Business Continuity Plan

**Description of response**

The Business Continuity plans are our principal management tool to reduce the risk of "Failure of a significant site", along with annual testing of the plan. They includes a plan to transfer operations to one of our other refineries in the event of a long shut down due to lack of water availability. Other Johnson Matthey sites that use precious metals from our Brimsdown refinery as an input raw material also take this risk into account in their Business Continuity plans. The risk of failure of the refinery is taken into account when deciding how much reserves of precious metal to hold in reserve stock, both physically and on accounts. We also insure our strategic sites against a wide variety of failures.

**Cost of response**

0

**Explanation of cost of response**

This is part of normal business and not assigned a specific cost. We have insurance to cover short term interruptions to production due to drought or flood and most of our manufacturing facilities are duplicated in more than one country of the world and so in the short term production could be moved to other sites to meet essential demand.

## W4.2a

**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

---

**Country/Area & River basin**

South Africa  
Limpopo

**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

Regulatory  
Increased difficulty in supplier obtaining withdrawals/operations permit

### Primary potential impact

Disruption to sales due to value chain disruption

### Company-specific description

Virgin precious metals from South African platinum group metal mining companies are a strategic raw material for Johnson Matthey. If mining operations were disrupted for a long period due to lack of water, it would have an impact on our ability to procure raw materials for our own manufacturing processes. More likely is that a short disruption would cause the metal price to rise on global markets.

### Timeframe

1-3 years

### Magnitude of potential impact

Medium-low

### Likelihood

Unlikely

### Are you able to provide a potential financial impact figure?

Yes, an estimated range

### Potential financial impact figure (currency)

#### Potential financial impact figure - minimum (currency)

1

#### Potential financial impact figure - maximum (currency)

3,500,000,000

### Explanation of financial impact

A wide range given because a narrower, more realistic range cannot be reported here because financial impact is commercially sensitive and thus cannot be included in this public disclosure

The range given represent no impact to 30% of our revenues from platinum group metal (PGM) trading in the last financial year. This is a theoretical maximum range picked because approximately 30% of the PGMs we used last year came from virgin sources. (see Annual report 2022 page 40). This is a theoretical maximum and does not represent a genuine reality since not all the metal we trade comes from the same primary source as it is exceptionally unlikely that weather related events would cause a complete halt to PGM mining in all mines in the same year .

Disruption to supply of virgin platinum from South Africa is most likely to impact Johnson Matthey via the metals trading price on global markets. Johnson Matthey, through its metal trading activities is well placed to manage the impact of fluctuating metal prices on its revenues. High metal prices generally increases JM revenues.



**Primary response to risk**

Direct operations  
 Include in Business Continuity Plan

**Description of response**

- > Ongoing market research to understand and monitor the impact of short term events on longer term supply of metal
- > Supplier relationship management through formalisation of regular reviews to discuss their constraints and quality management processes.
- > Where deemed appropriate, we carry strategic stocks of raw materials and monitor those levels regularly in the context of the external environment.
- > Regular investigation of alternative materials as part of research and development.
- > Continued investment in our pgm refining business to ensure access to recycled precious metal
- > Continued Investment in our Precious metals marketing (PMM) subsidiary to ensure we manage financial risk of any disruption to pgm supply globally

**Cost of response**

0

**Explanation of cost of response**

This is part of normal business, and is not assigned a specific cost. We also have insurance to cover short term interruptions to supply due to drought or flood.

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities but are unable to realize them

**W4.3b**

**(W4.3b) Why does your organization not consider itself to have water-related opportunities?**

	Primary reason	Please explain
Row 1	Judged to be unimportant	We had a small business selling water purification technology, which we sold during 2018 - after a management review which indicated it did not have the potential to have a substantive positive impact on our business profits.

## W5. Facility-level water accounting

### W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

---

**Facility reference number**

Facility 1

**Facility name (optional)**

Brimsdown

**Country/Area & River basin**

United Kingdom of Great Britain and Northern Ireland  
Thames

**Latitude**

51.65

**Longitude**

-0.03

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

140

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

140

**Total water discharges at this facility (megaliters/year)**

115

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

115

**Total water consumption at this facility (megaliters/year)**

35

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

We have re-stated last year's water withdrawal number to 137 megalitres due to an inaccurate billing estimate in the 4th quarter of the year, which was subsequently corrected after the end of the reporting year. We are now using meter readings to report, rather than billing estimates to increase accuracy.

## W5.1a

**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?**

**Water withdrawals – total volumes**

---

**% verified**

76-100

**Verification standard used**

Johnson Matthey's water disclosures have been externally assured by Avieco Ltd using ISAE 3000. It has been completed in accordance with the WRI best practice reporting principles of relevance, completeness, consistency, transparency, accuracy and the subject matter adheres to the ISAE 3410 principles

## Water withdrawals – volume by source

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**% verified**

76-100

**Verification standard used**

Johnson Matthey's water disclosures by source have been externally assured by Avieco Ltd using ISAE 3000. It has been completed in accordance with the WRI best practice reporting principles of relevance, completeness, consistency, transparency, accuracy and the subject matter adheres to the ISAE 3410 principles.

## Water withdrawals – quality by standard water quality parameters

---

**% verified**

Not verified

**Please explain**

>90% of our water is supplied by municipal water authorities to drinking water quality. We do not measure and record centrally water quality,

## Water discharges – total volumes

---

**% verified**

76-100

**Verification standard used**

Johnson Matthey's water disclosures have been externally assured by Avieco Ltd using ISAE 3000. It has been completed in accordance with the WRI best practice reporting principles of relevance, completeness, consistency, transparency, accuracy and the subject matter adheres to the ISAE 3410 principles

## Water discharges – volume by destination

---

**% verified**

76-100

**Verification standard used**

Johnson Matthey's water disclosures have been externally assured by Avieco Ltd using ISAE 3000. It has been completed in accordance with the WRI best practice reporting principles of relevance, completeness, consistency, transparency, accuracy and the subject matter adheres to the ISAE 3410 principles

## Water discharges – volume by final treatment level

---

**% verified**

Not verified

**Please explain**

Greater than 90% of water is discharged to municipal sewers to local environmental permit standards, which differ by geographical location. We do not measure and record centrally discharge water quality,

**Water discharges – quality by standard water quality parameters**

**% verified**

Not verified

**Please explain**

Greater than 90% of water is discharged to municipal sewers to local environmental permit standards, which differ by geographical location. We do not measure and record centrally discharge water quality,

**Water consumption – total volume**

**% verified**

76-100

**Verification standard used**

Johnson Matthey’s water disclosures have been externally assured by Avieco Ltd using ISAE 3000. It has been completed in accordance with the WRI best practice reporting principles of relevance, completeness, consistency, transparency, accuracy and the subject matter adheres to the ISAE 3410 principles

## W6. Governance

### W6.1


**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

### W6.1a


**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water	We have a publicly available EHS policy which describes our commitment to continuously reduce our water usage. This can be found at <a href="https://matthey.com/documents/161599/481702/2022-06-07+Corporate+EHS+Policy+Statement+FINAL+%28Amended%29.pdf">https://matthey.com/documents/161599/481702/2022-06-07+Corporate+EHS+Policy+Statement+FINAL+%28Amended%29.pdf</a>

	<p>Description of business impact on water</p> <p>Description of water-related performance standards for direct operations</p> <p>Company water targets and goals</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to water stewardship and/or collective action</p>	<p>We also have a public commitment to a 25% reduction in water use by 2030 (from 2020 baseline) which can be found in our Annual report 2022 on page 45.</p> <p>We also have two more detailed internal water management policies, which are attached here - water management policy and water discharge policy.</p> <p> 1, 2, 3, 4</p>
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 <sup>1</sup>Johnson Matthey - Annual Report and Accounts 2022.pdf

 <sup>2</sup>2022-06-07 Corporate EHS Policy Statement FINAL (Amended).pdf

 <sup>3</sup>Water Management policy March 2022.pdf

 <sup>4</sup>Discharges to Surface and Ground Waters policy Dec 2020.pdf

## W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

## W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Director on board	The Societal Value Committee (SVC) is our Board subcommittee with responsibility for ensuring we meet all our Sustainability commitments, including our net water consumption reduction target for 2030. The chair of the SVC is a non-executive

	director on the Board and the SVC meets three times per year Annual Report 2022: Page 89 and 98 -99.
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## W6.2b

**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Sporadic - as important matters arise	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding business plans Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy	Any issues that representative a substantive risk to the company are also reviewed by Audit Committee when they review the Risk register twice a year. Any water risks requiring significant capital investment would be reviewed by the Board as part of the capital investment due diligence process. Progress towards the water targets is reviewed 3 times by the Societal Value Committee (SVC).

## W6.2d

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	Competence on water -related issues is assessed as part of broader competence on all environmental matters considered as part of the Sustainability and EHS strategy and goals.  The process for the annual assessment of Board competence is described on pages 96-97 of Annual report 2022.  Each year, the board reviews performance and effectiveness, including that of its committees

		<p>and individual directors, to identify areas for improvement and ensure it is well placed to provide constructive challenge.</p> <p>Last year, the review was externally facilitated by Manchester Square Partners. We have made good progress against the outcomes of the review, as shown in the table below.</p> <p>The Chair led this year’s board review, supported by the General Counsel and Company Secretary. The board review involved a questionnaire seeking input on a range of topics including leadership, strategy, dynamics and culture. Compiled by Independent Audit Limited, a specialist corporate governance consultancy, the questionnaire was circulated to all board members, regular attendees and certain external advisers. This year, we asked a wider stakeholder group to complete the questionnaire, to provide a more diverse perspective on the performance of the board. The Chair discussed themes emerging from the questionnaire findings and individual performance with each board member. The results of the review were compiled by the Chair, with the support of the General Counsel and Company Secretary, and presented to the board on an unattributed basis.</p>
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### W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Responsibility**

- Assessing future trends in water demand
- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Half-yearly



**Please explain**

The Chief Sustainability Officer (CSO) reports directly to the CEO chairs the Sustainability Council. The CSO reports to the the Sustainability committee of the Board (the Societal Value committee) three times a year on all matters related to sustainability (page 89, 98 -99 of Annual report 2022) including:

1. performance towards our 2030 target to achieve a 25% reduction in water use compared to 2020 baseline (Annual report 2022 page 45 -46)
2. Our water-related risks, as compiled and described in our TCFD report (Annual report 2022 page 66-67)

In additional the Risk and Assurance Director is responsible for ensuring effective risk assessment across all material issues covered in our integrated enterprise risk management framework, including water, and reports directly to the CFO. They report to the Audit Committee on all principle risks twice a year (AR2022 page 105)

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	<b>Provide incentives for management of water-related issues</b>	<b>Comment</b>
Row 1	No, not currently but we plan to introduce them in the next two years	We have introduced incentives for C-suit employees in sustainability management, as part of the long-term incentive plan, for the first time in 2022. (Annual report 2022 page 130). This specifically covers 3 of our 2030 targets, although not the one relating to water use. In future years we plan to extend this to cover more our our 17 sustainability targets for 2030, and for more employees to be include in the incentive.

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, trade associations

**W6.5a**

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Our central Corporate Affairs function manages all relationships with trade associations. The Corporate Affairs Director reports to the Chief Sustainability Office, who reports to the CEO. A company expert is assigned to manage our relationship with each trade Association to which we subscribe and they have accountability to the Corporate Affairs Director. It is their

responsibility to monitor and participate in consultations on policy with the Trade Association and to highlight to the CSO if the Trade Association is carrying out activities that contravene JM's internal policy and values. We review our membership of all trade associations on an annual basis when the membership fee is due.

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

 Johnson Matthey - Annual Report and Accounts 2022.pdf

## W7. Business strategy

### W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	16-20	Water-related issues are integrated into our business objectives through our Sustainability goals for 2030 . In April 2021 we announced a 10 year target to reduce our net water usage globally by 25% 2020-2030. We also committed to reporting climate-related risks according to the recommendations of TCFD (which includes physical risks related to water) in our Annual Report 2022.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Water-related issues are integrated into our strategy for achieving our long-term objectives through our Sustainability goals for 2030 . In April 2021 we announced a 10 year target to reduce our net water usage globally by 25% 2020-2030. We also committed to reporting climate-related risks according to the recommendations of TCFD (which includes physical risks related to water) in our Annual Report 2022.
Financial planning	Yes, water-related issues are integrated	5-10	Water-related issues are integrated into our financial planning processes through forecasting how we our going to meet our 2030 goal to reduce water use and protect against any physical climate risks (e.g. drought or flood) Individual manufacturing sites may require

		some capital investment to mitigate from time to time, they do not have a substantive impact on our capital allocation.
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## W7.2

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

**Water-related CAPEX (+/- % change)**

0

**Anticipated forward trend for CAPEX (+/- % change)**

0

**Water-related OPEX (+/- % change)**

0

**Anticipated forward trend for OPEX (+/- % change)**

0

**Please explain**

We do not anticipate a significant change in our water related capital or opex expenditure in the next year.

## W7.3

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	Yes	<p>Our climate scenarios are central to our plan to achieve net zero by 2040, and our nearer-term ten-year strategic planning. They are used by all our businesses as a common basis for planning, forecasting and stress testing their strategy and assumptions on growth. To test the resilience of our strategy and portfolio, and our assumptions about growth, we have developed three transition scenarios that represent a wide range of outcomes.</p> <ul style="list-style-type: none"> <li>• Rapid transition scenario (aligned to 1.5°C)</li> <li>• Pragmatic evolution scenario (aligned to 2°C)</li> <li>• Slow transition scenario (aligned to 3°C)</li> </ul>

	<p>We developed our climate scenarios internally with support from an external expert, reflecting the latest available research from internationally recognised sources such as the International Energy Agency (IEA). The IEA research we used included three scenarios: the Net Zero Emissions Scenario, the Sustainable Development Scenario, and the Stated Policies Scenario.</p> <p>Annual Report 2022 page 61-62</p>
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## W7.3a

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related Socioeconomic	<p>Changing weather patterns as the climate warms may result in physical risks to our assets and supply chains. During the year, we worked with Zurich Resilience Solutions to evaluate the exposure of all our assets and those of our strategic suppliers to these risks. To support this work, we used the Shared Socio-economic Pathways (SSPs), the latest climate change modelling scenarios from the Intergovernmental Panel on Climate Change (IPCC). The SSPs produce forward-looking climate data by running climate</p>	<p>In total, we investigated eight weather-related perils using the SSPs - temperature, rainfall, thunderstorms, flood, drought, wind, wildfire and hail. Analysis of our ten most critical manufacturing locations shows that there is no material financial impact from climate change risks on the quantifiable hazards on the time horizon to 2030 in any of the scenarios. The most significant impact predicted by the models out to 2030, under the worst case scenario, was an additional 35% of our physical asset value to be subject to a high rainfall hazard. This includes our facilities in N. Macedonia, PA USA, N India and UK. Over time, drought may also become more significant. We have evaluated the impact this could have on water availability to our operations using the World Resource Institute's (WRI) Water Risk Atlas tool. For risks to our supply chains, we concluded that our precious metal</p>	<p>Zurich’s analysis of our ten most critical locations shows that there is no material financial impact from climate change risks on the quantifiable hazards (flood and windstorm in the medium term). We are currently assessing whether we will need to do any mitigation to improve asset resilience in the medium term. We continue to integrate weather-related risks in business continuity plans and follow-up</p>

		<p>models driven by assumptions about future global GHG emissions, together with plausible future socio-economic development metrics (economic growth / GDP, demographics, land use and urbanisation), and incorporating the likely implementation of adaptation and mitigation measures. We looked at three SSPs for the locations of all our own operations and those of our strategic suppliers. We considered four time horizons - 2020 (our baseline), 2030, 2040 and 2050 to identify the top hazards and how they are likely to change. SSP 1-2.6 assumes the lowest temperature rise, and therefore the least physical impact, disruption and adaptation costs; SSP 2-4.5 is the middle temperature rise; and SSP 5-8.5 assumes the highest temp</p>	<p>suppliers, on horizon of 2030 climate change under the worst case scenario of SSP5-8.5 could become subject to a high or very high rainfall hazard. This includes PGM mines and the processing operations in the Rustenburg region in South Africa, mines in Zimbabwe and some smelters in central USA.</p> <p>For our other suppliers, climate change under the worst case scenario of SSP5-8.5 is expected to cause a small number of our strategic suppliers' locations to be subject to a high rainfall hazard, and high drought. In particular, this includes suppliers' locations in Vietnam, India, and USA.</p>	<p>action plans.</p> <p>We regularly review the type and limit of insurance available for climate risks to our portfolio.</p> <p>weather-related climate change impacts are considered as part of all new investments, including new sites with the business in transition e.g. China – fuel cell vehicles growth market.</p>
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## W7.4

(W7.4) Does your company use an internal price on water?

Row 1

**Does your company use an internal price on water?**

No, and we do not anticipate doing so within the next two years

**Please explain**

Although availability of sufficient freshwater supplies is critical to maintaining operations in all our factories, we are not considered large users of water in any of local communities where operate. Cost of water is not a material issue to our operations either. Therefore, we don't anticipate a benefit from the administrative burden of introducing an internal price of water.

**W7.5**

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	We are not a large water user. No standard methodology exists by which to answer this question. We have not been asked this question by any of our stakeholders before, and so answering it is not considered a business priority until there is a widely accepted methodology.

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level	In April 2021 we announced a new target to reduce net water usage globally by 25% by 2030. Individual businesses have set their own targets to make a contribution to this Group target, and as part of their ISO14001 certified EHS management plans. Progress is monitored monthly through internal reporting mechanisms. All facilities report their water use monthly through our global EHS reporting tool and this is automatically rolled up to a corporate monthly report to the Board.

## W8.1a

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

---

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Level**

Company-wide

**Primary motivation**

Reduced environmental impact

**Description of target**

We will reduce our net water usage globally by 25% by 2030, from a 2020 baseline.

This KPI is a record of how much water we withdraw through our operations. The KPI includes all freshwater sources - mains supplied water that we receive from municipalities, public or private utility companies, ground water that is extracted from below the earth's surface and fresh surface water that we extract from rivers, wetlands, lakes etc. We do not include rainwater or any brackish surface water. We subtract any water that is returned to the source from which it is extracted at the same or better quality

**Quantitative metric**

% reduction in total water withdrawals

**Baseline year**

2020

**Start year**

2021

**Target year**

2030

**% of target achieved**

17

**Please explain**

We are committed to reducing our water use and are working across all our manufacturing sites to find ways to minimise our use, through a variety of way - including fixing leaks, recycling more and minimise requirements to run our processes.

## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

 Johnson Matthey - Annual Report and Accounts 2022.pdf

 Johnson Matthey - EHS assurance statement for ARAC FY202122 V1.2.pdf

### W9.1a

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Total water withdrawal	ISAE 3000	Our Total water withdrawals were third party verified by AviecoLtd. The verification statement can be found on our website, as well as attached to question 9.1.
W1 Current state	Net fresh water consumption. This is the water withdrawals minus freshwater discharges back to rivers and water courses	ISAE 3000	This is better measure of our total impact on local water availability and environment. It excludes all freshwater withdrawals that are immediately returned to the same source at equal or cleaner quality that they were withdrawal.

## W10. Sign off

### W-FI

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

None



## W10.1

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

	<b>Job title</b>	<b>Corresponding job category</b>
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)