

Verification and Assurance



Verification

The board reviews corporate social responsibility issues as part of its risk management process. The board believes that the measures taken to review the sustainability information provide a suitable level of confidence.

Health and safety data is reviewed by group health and safety experts and as part of the group Environment, Health and Safety (EHS) audit programme. Environmental data is reviewed by group environmental experts and as part of the group EHS audit programme.

Human resources data is reviewed and verified by internal senior human resources professionals. Community engagement data and information relating to charitable donations is reviewed and verified by internal experts.

Information on financial performance forms part of the external audit of Johnson Matthey's financial accounts.

All data is reviewed by internal sustainability experts and at appropriate levels of management up to and including the Chief Executive's Committee.

Other information presented in the Sustainability Report is reviewed by the relevant functional experts and subjected to the same internal sign off procedures as the group Annual Report.

Johnson Matthey utilises external specialists on specific sustainability issues. Over the past year this has included external audits or reviews of people management systems, health and safety (OHSAS 18001) and environmental management systems (ISO 14001).

Assurance

This year Johnson Matthey presents its second Sustainability Report. The report outlines our sustainability vision for 2017, the progress we are making towards achieving it and the further steps taken to embed sustainability into our business processes and management systems. Given the significance of these developments and to provide our stakeholders with additional confidence in the work we are undertaking, we are seeking external assurance as outlined below.

We have engaged Environmental Resources Management Limited (ERM) for the second year to provide independent assurance as to whether the following have been appropriately reported in our Sustainability Report 2008/09 (the Report):

- Key performance data for 2008/09:
 - Total incidence of 'greater than three day accidents' (per 1,000 employees per year);
 - Total energy consumption ('000 GJ);
 - Total global warming potential ('000 tonnes CO₂ equivalent); and
 - Total water use ('000 m³).
- Our declared application of the GRI G3 guidelines to level B+.

ERM's assurance was conducted through:

- A series of interviews with a sample of group and business level senior managers and site General Managers;
- Visits to three of our significant manufacturing sites (Clitheroe and Brimsdown in the UK and Devon in the USA); and
- Review of a sample of supporting documentary evidence and draft report disclosures to ensure consistency with their assurance findings and the GRI requirements.

Based on the work performed, ERM concluded that in all material respects, the selected

assurance topics have been appropriately reported in the Report. ERM's full assurance statement details the assurance scope, basis of work and limitations, reporting criteria and assurance standards, respective responsibilities and assurance activities, ERM's conclusions, key observations and recommendations for future improvement.

[Read ERM's full assurance statement](#)

Independent assurance report to Johnson Matthey Plc

Johnson Matthey Plc (Johnson Matthey) appointed Environmental Resources Management Limited (ERM) to provide independent assurance on selected information presented in its Sustainability Report 2008/09 (the Report).

Our brief

We were asked to provide independent assurance as to whether the following subject matter are appropriately reported:

- A. The following key performance indicators (KPIs) for the year ended 31 March 2009 (2008/09):
 - Total incidence of 'greater than three day accidents' (per 1,000 employees per year);
 - Total energy consumption ('000 GJ);
 - Total global warming potential ('000 tonnes CO₂ equivalent); and
 - Total water use ('000 m³).
- B. Johnson Matthey's declared application of the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines (G3 Guidelines) to level B+.

Our approach

Standards and criteria used

We delivered our work in accordance with ERM's assurance methodology, which is based on the international assurance and audit standard ISAE 3000 and the ISO 19011 guidelines for quality and / or environmental management systems auditing.

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions as to whether the reported information and data set out in 'Our brief' was appropriately reported (moderate assurance).

Johnson Matthey applies its own internal approach to define, manage and report the selected KPIs. We have used Johnson Matthey's definitions as the criteria for our assurance work for subject matter A as presented in the Environment – Our Performance and Achievements, Health and Safety – Our Performance and Achievements and Performance Summary sections of the report. We used the G3 Guidelines as the criteria for our work for subject matter B.

If we had been asked to conclude on whether the reported information were robust (high assurance), we would have needed to conduct more work at corporate level and at Johnson Matthey's businesses and manufacturing sites and to gather further evidence to support our assurance opinion.

The reliability of the reported information and data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our work

A multi-disciplinary team of environment, health and safety and assurance specialists performed the work at corporate, business and site level. Our assurance activities included:

- Obtaining an understanding of and sample testing the processes in place to generate, aggregate and report information relevant to the selected subject matter through visits to three selected operations located in the UK and USA and interviews with four site level general managers and relevant corporate level management;
- Reviewing and testing of selected evidence for the selected assurance subject matters e.g. data measurement, collection and reporting processes, and design of CR report in accordance to GRI requirements;
- Discussion of our assurance findings with management as they arose to provide them with the opportunity to address them prior to finalisation of our work; and

- Review of the presentation of the selected indicators in the Report related to 'Our brief' to ensure consistency with our findings.

Respective responsibilities and ERM's independence

Johnson Matthey's management is responsible for preparing the Report and for the information in it. ERM's responsibility is to express our assurance conclusions on the agreed brief.

During 2008/09, ERM has worked with Johnson Matthey on other consulting engagements. ERM conducts strict conflict checks and has confirmed its independence to Johnson Matthey for this assurance engagement.

Our conclusions

Based on our work undertaken as described above, we conclude that in all material respects Johnson Matthey has appropriately reported the following in the Report:

- The selected indicators set out in the Environment – Our Performance and Achievements, Health and Safety – Our Performance and Achievements and Performance Summary sections of the Report; and
- Its declared application of the G3 guidelines to level B+ set out in the GRI Summary section of the Report.

Our key observations and recommendations

Based on our work set out above, and without affecting our conclusions, here are our key comments and recommendations for improvement.

Observations:

- Johnson Matthey has made good progress in integrating further Sustainability measures into its core business strategy and planning processes. We also observed strong engagement and commitment to the Sustainability 2017 Vision by management at all levels of the business during the course of our work; and
- The businesses and sites have achieved significant improvements in consumption of water and energy, which are linked to some of the key targets associated with the Sustainability 2017 Vision.

Recommendations for improvement:

- Consider strengthening the application of the G3 Guidelines beyond level B in future Sustainability Reports in a way that will add value to the business in delivering as well as externally reporting its Sustainability management and performance, including the development of appropriate Sustainability KPIs; and
- In the initial stages of implementation of the Sustainability 2017 Vision, the main focus has been on resource use which has identified significant efficiency opportunities. Moving forward Johnson Matthey should further strengthen its approach to delivering improved performance in relation to its social goals, the management of its supply chain sustainability performance, and the lifecycle impacts of its products.



Environmental Resources Management Limited (ERM)
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ERM is an independent global provider of environmental, social and corporate responsibility consulting and assurance services. Over the past 4 years we have worked with over half of the world's 500 largest companies, in addition to numerous governments, international organisations and NGOs.