Summary Funding Statement and Scheme Financial Statement

March 2025

This statement summarises the Scheme's finances and tells you about the financial security of the Defined Benefit parts of the Scheme.

elements.matthey.com

Financial Update

The table below shows a summary of the money going into and out of JMEPS during the 12 months up to 31 March 2024. If you would like to find out more information, you can download a copy of the Trustee's full Annual Report and Accounts from **elements.matthey.com**

Value of total JMEPS assets	at 1 April 2023 **£1,897m**	at 1 April 2022 **£2,578m**

Income	2024 (£m)	2023 (£m)
Contributions received	61	56
Investment income	30	34
Transfers in	1	1
Other income	1	0
Income total	**£93m**	**£91m**

Expenditure		
Benefits payable	65	60
Leavers	11	19
Other payments	2	2
Expenses	6	7
Expenditure total	**£84m**	**£88m**

Change in fair value* of investments	at 1 April 2024 (£21m)	**(£684m)**

*Fair Value means the estimate of the assets' worth on the open market.

Reduction in the funds during the year	(£12m)	**(£681m)**

Value of total JMEPS assets	at 1 April 2024 **£1,885m**	at 1 April 2023 **£1,897m**

JMEPS DB Investments

The assets of JMEPS are kept totally separate from the finances of Johnson Matthey Plc. Details of how JMEPS assets were invested as at 31 March 2024 are shown below:

	Value (£m)
Infrastructure	**£49.3m (Partners Group)**
Multi Asset Credit	**£197.2m**
Global multi-asset credit	103.5 (CQS)
Global multi-asset credit	93.7 (Wellington)
Diversified Credit	**£261.8m (BlackRock)**
Diversified Growth	**£3.9m (Insight)**
Special Purpose Vehicle	**£28.1m**
Bonds	**£1,198.9m (LGIM)**
UK Public Sector	180.7
UK Corporate	132.9
Overseas Corporate	48.7
UK Govt Index-Linked	691.6
Global Multi-Asset	145.0
Repo	**(402.5) (LGIM)**
Derivatives	**(8.3) (LGIM)**
Property	**£51.3m (BlackRock)**
Cash, cash instruments and derivatives	**£30.0m**
	29.7 (LGIM)
	0.3 (BlackRock)

Elements Section

	Value (£m)
Equities	62.1m (LGIM – Paris Aligned)
LDI investments	46.9m (LGIM)
Corporate and Government bonds	77.0m (LGIM)

JMEPS DC Account Assets

as at 31 March 2024

Members who have JMEPS Extra, JMEPS Investment or JMEPS DC Accounts have access to a range of different fund options, each of which carries a different level of risk and potential to provide different levels of investment return. Over the year to 31 March 2024, the value of these combined Accounts increased from £233.6m to £279.0m.

Investment Funds	Fair Value (£m)	Investment Performance	
		Last 12 months (%)	Last 3 years (% per annum)
UK Equity Index	22.1	6.9	7.0
World Equity (excluding UK) Index	31.1	23.7	11.6
Global Equity Index Tracker (formerly Global Equity (30:70) Index)	122.5	22.4	9.4
Emerging Markets Equity	3.1	5.0	(3.3)
Real Assets	0.3	0.9	N/A
All Stocks Corporate Bond	3.3	6.2	(3.5)
Over 15 years Gilt Index Fund	4.5	(4.8)	(15.1)
Over 5 years UK Index-Gilt Fund	1.9	(7.7)	(12.4)
Cash Fund	8.5	5.1	2.3
Diversified Growth	81.7	5.1	2.3
Grand Total	**279.0**		

Over the year the value of these combined Accounts increased to

at 31 March 2024
£279m

at 31 March 2023
£233.6m

Summary Funding Statement

This statement relates to the Defined Benefit parts of the Scheme. Some members also make payments into Defined Contribution parts of the Scheme that are not covered by this statement.

How is the Scheme's financial security measured?

The estimated cost of providing the benefits you and other members have earned to date is known as the Scheme's "liabilities". This includes the benefits of members who have left the Company or retired.

We collect money ("contributions") from active members (current employees of the Company) and from the Company, and invest this to help provide your benefits. The money is held in a communal fund, not in separate funds for each individual. The amount of money we have invested is known as the Scheme's "assets".

To check the Scheme's financial security, we compare the value of its liabilities to its assets. If the Scheme has fewer assets than liabilities, it is said to have a "shortfall". If the assets are more than the liabilities, there is said to be a "surplus".

We carry out an in-depth look at the Scheme's finances at least every three years. This is called an actuarial valuation. We ask a qualified, independent Actuary to do this. The latest formal valuation of the Scheme was carried out as at 31 March 2024. We also ask the Actuary to review the financial security of the Scheme in the intervening years. This is called an actuarial report. The next actuarial report will be carried out as at 31 March 2025.

What is the Scheme's financial position?

The results of the formal actuarial valuation carried out as at 31 March 2024 are set out below:

	Elements Section (£m)	CARE Section (£m)
Liabilities	151.9	1,397
Assets	189.1	1,416
Surplus	37.2	19

The Elements Section has a surplus of: at 31 March 2024 **£37.2m** — 2023 **£23m**

The CARE Section has a surplus of: at 31 March 2024 **£19m** — 2023 **£22m**

As the combined position of the Sections revealed a surplus at the actuarial valuation as at 31 March 2024, the Trustee and Company did not have to agree a Recovery Plan.

We are required to inform you whether a payment has been made to the employer, as permitted under the Pensions Act 1995, since we last sent you a Summary Funding Statement. We can confirm that no such payment has been made.

Summary Funding Statement (continued)

How has the Scheme's financial position changed since the last Summary Funding Statement?

Elements Section

When we last sent you a Summary Funding Statement, we reported that the Elements Section was estimated to have a surplus of £23.0 million at 31 March 2023.

Between 31 March 2023 and 31 March 2024 the financial position of the Elements Section improved, in part due to the allowance for the valuation and hence updated membership details as at 31 March 2024. In addition, the liabilities did not increase as much as expected due to the increase in UK Government Gilt yields over the year, which reflected the increases in the Bank of England Base rate. These yields are used to set the discount rate used to value the liabilities.

CARE Section

When we last sent you a Summary Funding Statement, we reported that the CARE Section was estimated to have a surplus of £22.0 million at 31 March 2023.

Between 31 March 2023 and 31 March 2024 the financial position of the Career Average Section was fairly stable, with a slightly lower surplus calculated as at 31 March 2024. The assets and liabilities both reduced in value due to the increase in gilt yields noted opposite. The Trustee has adopted a 'matching strategy' whereby the assets are designed to largely move in line with changes in the liabilities. In addition, the Trustee adopted a more conservative set of assumptions for expected future investment returns for this valuation.

Summary Funding Statement (continued)

How does the Trustee know what contributions should be paid into the Scheme?

Following each actuarial valuation, the Actuary advises us what contributions should be paid into the Scheme so that we can expect to be able to continue to pay members' pensions. We then agree a level of contribution for the Scheme with the Company and record this in a document called the Schedule of Contributions.

We review and update the Schedule of Contributions at least each time the Scheme has an actuarial valuation.

The valuation and schedule of contributions follow standards we have set out in a Statement of Funding Principles. This document describes how we will manage the Scheme with the aim of being able to continue to pay members' pensions.

We are required to tell you whether The Pensions Regulator has used its legal powers to make directions as to any of:

- The level of benefits available from the Scheme going forward
- The method or assumptions used to calculate the liabilities or the length and structure of any recovery plan
- The contributions that should be paid under the Schedule of Contributions

The Regulator has not used its powers in relation to the Scheme and therefore the Scheme is not subject to any directions.

Is my pension guaranteed?

Our aim is for there to be enough money in the Scheme to pay pensions now and in the future, but this depends on the Company carrying on in business and continuing to pay for the Scheme.

If the Company goes out of business or decides to stop paying for the Scheme, it is expected to pay the Scheme enough money to secure all the benefits built up by members with an insurance company. This is known as a scheme "buyout" and "wind up".

The comparison of the Scheme's assets to the cost of buying the benefits with an insurance company is known as the "solvency position".

What happens if the Scheme is wound-up and there is not enough money to pay for all my benefits?

If the Scheme winds up without enough money to buy all the members' benefits with an insurance company, then, unless the Company can afford to pay the difference, you are unlikely to receive the full benefits you were expecting. To help members in this situation, the Government set up the Pension Protection Fund (PPF). The PPF pays a legally defined level of benefits to members of eligible UK pension schemes in certain situations where the scheme does not have enough money to cover the cost of buying this level of benefits for members with an insurance company, and the sponsoring company is insolvent and so cannot provide extra finance.

If the Scheme were to be wound up and go into the PPF, the benefit you would receive from the PPF may be less than the full benefit you have earned in the Scheme, depending on your age and when your benefits were earned.

Further information and guidance is available on the PPF website at **pensionprotectionfund.org.uk**. Alternatively, you can write to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA.

Is there enough money in the Scheme to provide my full benefits if the Scheme is wound up?

The actuarial valuation at 31 March 2024 showed that the estimated funding level of the Scheme, assuming all benefits were bought out with an insurer, was 97% with respect to the Elements Section and 92% with respect to the Career Average Section. This means that the Scheme's assets could not have paid for the full benefits of all members to be provided by an insurance company if the Scheme had wound up at that date.

The fact that we have shown the solvency position does not mean that the Company is thinking of winding up the Scheme. It is just another piece of information we are required by law to provide and which we hope will help you understand the financial security of your benefits.

Climate change report

The Trustee has published the Scheme's second Task Force on Climate Related Financial Disclosures (TCFD) report. The report contains details of the Trustee's approach to climate-related governance, analysis on the potential future impact of various climate scenarios, and a framework for how the Trustee intends to manage climate-related risks going forward. You can download the full TCFD report at **elements.matthey.com/#/public-jmeps-trustee-governance-statement**

Here to Help

Group Reward & Benefits administer JMEPS.

You can contact the team and ask any questions you may have during the following times:

Monday to Thursday: 8.45am to 5.15pm

Friday: 8:45am to 4.45pm

Contact details

Email:
elements.uk@matthey.com

Telephone:
020 7269 8315

New address:
5th Floor, 2 Gresham Street, London, EC2V 7AD