

Material Issues

Sustainability 2017 was defined following an assessment of the risks, major impacts and future commercial opportunities open to the business. The high level long term targets encompassed within it, together with the group's other related targets, address the issues which could potentially have a material effect on the group's future performance.

Read more about how the Sustainability 2017 Vision was developed.

Monitoring progress against the group's targets is used as a means of managing these material issues. Material issues are continually assessed as part of our risk management and business planning processes and the group has started to integrate horizon scanning into these processes to seek new market opportunities and identify emerging issues that may have an impact on our business over the longer term.

The group's key material issues are:



Deliver Shareholder Value

Profitability and sustainability are inextricably linked and our business will only survive if it can continue to deliver superior value to its shareholders. All other material issues identified by the group and its performance against the related targets can all have an impact on profitability. Underlying earnings per share is the principal measure used by the board to assess the overall profitability of the group.



Climate Change

Climate change presents many opportunities for Johnson Matthey. Our products and technologies have a role to play in mitigating its effects and we must ensure we are well positioned to maximise our benefit. The group must also manage the potential negative impacts arising from an increasingly carbon constrained world.



Availability of Resources

Continued economic development will place an ever increasing strain on the world's resources. Over time, the raw materials we use today may become less available and more costly. Our challenges are to carefully select those with the lowest sustainability footprint, use them as efficiently as possible and maximise the amounts we recycle.



Waste

As populations and industry continue to grow, so will the amount of waste we collectively generate. It places a burden on the planet, can have a negative impact on habitats and potentially spoil areas of natural beauty that we currently enjoy. It is in our interest to manage the waste we generate as a business. Addressing this issue delivers financial savings, more efficient processes and a better environment for us all.



Q&A

What does sustainability mean to you?

Sustainability means doing the right thing ...

Material Issues



Safety

We have a responsibility to do our utmost to ensure that the safety of our employees, or of anyone else, is not compromised as a result of our activities. Shortcomings in any area of safety can have devastating effects on people's lives and on the planet. Our failure to maintain the required high standards could damage the group's reputation, result in financial penalties and cause disruption to the business. We have rigorous systems in place to manage our performance and our target is zero 'greater than three day' accidents.



Environmental Protection

Johnson Matthey has an important role to play in protecting the environment for the benefit of others. Many of our products and technologies have an environmentally beneficial effect and generate a significant proportion of the group's profit. Operating our processes with care and respect for the environment is a focus. Failure to do so can have damaging effects on the planet and society and negatively impact our reputation and our business.



Occupational Health

The health and wellbeing of our employees are a priority for Johnson Matthey and we recognise that building a sustainable workforce is a key contributor to our long term success. We are committed to minimising workplace related negative health hazards and to promoting a culture of sustainable health among our employees.

These issues are summarised in the group's materiality map below (click on map to enlarge) which outlines the key material issues and the targets in place to address them, categorised according to Johnson Matthey's five elements of sustainability.

Materiality Map						
GROUP TARGET	MATERIAL ISSUE	FINANCIAL	GOVERNANCE	SOCIAL	HEALTH AND SAFETY	ENVIRONMENT
At least double EPS	Deliver shareholder value	• Continued growth	• Compliance • Well managed business	• Create wealth • Create jobs • Create beneficial products	• Create products beneficial to health	• Create environmentally beneficial products
Carbon neutrality	Climate change	• Energy costs • Future cost of carbon	• Regulation	• Human impacts of climate change	• Health impacts of climate change	• Use of energy • Lower emissions • Low carbon technology solutions
Halve key resources per unit of output	Availability of resources	• Cost of raw materials • Availability of raw materials		• Protect communities		• Lower environmental footprint • Lower emissions • Improved resource efficiency
Zero waste to landfill	Waste	• Landfill costs • Benefits from recycling	• Regulatory drivers	• Lower impact on planet	• Health impacts of landfill	• Lower environmental footprint • More efficient processes • Lower impact on planet
Zero greater than three day accidents	Safety	• Cost of injured human capital • Lost productivity • Legal costs	• Reputation	• Safety of employees • Protect communities	• Safety culture - putting people first	• Environmental impact of accidents
Implement ISO 14001 registration at all sites	Environmental protection	• Market credibility • Reassurance to customers	• Well established systems • Compliance	• Protect communities • Community investment	• Protect communities	• Ensures minimum standards • Environmental responsibility
At least 30% reduction in occupational illness cases by 2013/14	Occupational health	• Cost of impaired human capital • Lost productivity • Legal costs	• Reputation	• Sustainable workforce • Health promotion	• Minimise workplace health hazards • Culture of enhanced wellbeing	

Materiality Map



GROUP TARGET

MATERIAL ISSUE






FINANCIAL

GOVERNANCE

SOCIAL

HEALTH AND SAFETY

ENVIRONMENT

	At least double EPS	Deliver shareholder value	<ul style="list-style-type: none"> Continued growth 	<ul style="list-style-type: none"> Compliance Well managed business 	<ul style="list-style-type: none"> Create wealth Create jobs Create beneficial products 	<ul style="list-style-type: none"> Create products beneficial to health 	<ul style="list-style-type: none"> Create environmentally beneficial products
	Carbon neutrality	Climate change	<ul style="list-style-type: none"> Energy costs Future cost of carbon 	<ul style="list-style-type: none"> Regulation 	<ul style="list-style-type: none"> Human impacts of climate change 	<ul style="list-style-type: none"> Health impacts of climate change 	<ul style="list-style-type: none"> Use of energy Lower emissions Low carbon technology solutions
	Halve key resources per unit of output	Availability of resources	<ul style="list-style-type: none"> Cost of raw materials Availability of raw materials 		<ul style="list-style-type: none"> Protect communities 		<ul style="list-style-type: none"> Lower environmental footprint Lower emissions Improved resource efficiency
	Zero waste to landfill	Waste	<ul style="list-style-type: none"> Landfill costs Benefits from recycling 	<ul style="list-style-type: none"> Regulatory drivers 	<ul style="list-style-type: none"> Lower impact on planet 	<ul style="list-style-type: none"> Health impacts of landfill 	<ul style="list-style-type: none"> Lower environmental footprint More efficient processes Lower impact on planet
	Zero greater than three day accidents	Safety	<ul style="list-style-type: none"> Cost of injured human capital Lost productivity Legal costs 	<ul style="list-style-type: none"> Reputation 	<ul style="list-style-type: none"> Safety of employees Protect communities 	<ul style="list-style-type: none"> Safety culture - putting people first 	<ul style="list-style-type: none"> Environmental impact of accidents
	Implement ISO 14001 registration at all sites	Environmental protection	<ul style="list-style-type: none"> Market credibility Reassurance to customers 	<ul style="list-style-type: none"> Well established systems Compliance 	<ul style="list-style-type: none"> Protect communities Community investment 	<ul style="list-style-type: none"> Protect communities 	<ul style="list-style-type: none"> Ensures minimum standards Environmental responsibility
	At least 30% reduction in occupational illness cases by 2013/14	Occupational health	<ul style="list-style-type: none"> Cost of impaired human capital Lost productivity Legal costs 	<ul style="list-style-type: none"> Reputation 	<ul style="list-style-type: none"> Sustainable workforce Health promotion 	<ul style="list-style-type: none"> Minimise workplace health hazards Culture of enhanced wellbeing 	