It has long been recognised that sustainability is crucial to business and Johnson Matthey’s sustainability goals for 2017 reflected this (1). But the reverse is also true. Developments in sustainability will be heavily reliant on business involvement, and private sector companies are expected to play a leading role in this.

At the United Nations (UN) summit in September 2015, the UN announced the launch of the Sustainable Development Goals (SDGs). These were developed after lengthy consultations involving many stakeholders including international business, non-governmental organisations (NGOs), policy makers and civil society. Their aim is to tackle the most pressing global issues of our time and this requires collective action. The UN SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. There are 17 universal goals for 2030 (Figure 1) (2), each providing guidelines and targets for all countries and organisations to adopt in line with their own priorities. They are intended to be collaborative and bring about systemic change in the world.

The Chemical Industry and the UN SDGs

So how can the chemical industry contribute to the SDGs?

Overall the chemical industry and associated industries have for many years provided science and technology solutions that address global challenges such as: environmental protection through pollution prevention and greenhouse gas abatement technologies; healthcare and human well-being through medical devices, components and pharmaceutical products; and the efficient use of natural resources through the use of renewable feedstocks, the application of catalysis and expertise in re-using, recycling and refining of valuable metals. The UN SDGs provide a frame of reference to allow the industry to measure how it can have a global positive impact.

Although the SDG programme is only in its second year, many chemical companies are already aligning their strategy with the goals. For example, Dow has publically declared its commitment through alignment of its sustainability 2025 goals with the 17 UN SDGs (3). BASF has stated that it welcomes the SDGs and contributed to their development (4). AkzoNobel provides an update on its position with respect to the SDGs in its 2016 annual report (5).

Johnson Matthey and the UN SDGs

Within Johnson Matthey, we have evaluated and aligned our priorities against the SDGs to understand where our products, services, technologies and the way we run our business have the potential to make the greatest contribution. There are six SDGs where we believe we can make the biggest positive impact:

- Good health and wellbeing
- Decent work and economic growth
- Industry, innovation and infrastructure
- Sustainable cities and communities
- Responsible consumption and production
- Climate action.

We have considered our ability to contribute to these in the context of our areas of material importance, risks, strategic themes and key performance indicators (Table I) (6).
### Table I Johnson Matthey Performance Criteria (6)

<table>
<thead>
<tr>
<th>Material topics</th>
<th>Financial performance</th>
<th>Social</th>
<th>Environmental</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Financial sustainability</td>
<td>● Community volunteering</td>
<td>● Air quality</td>
<td>● Climate change risk</td>
<td></td>
</tr>
<tr>
<td>● Diversity and inclusion</td>
<td>● Employee retention and recruitment</td>
<td>● Greenhouse gas emissions</td>
<td>● Ethical business practices and compliance</td>
<td></td>
</tr>
<tr>
<td>● Health and safety</td>
<td>● Modern slavery and child labour</td>
<td>● Product lifecycle management</td>
<td>● Sustainability leadership</td>
<td></td>
</tr>
<tr>
<td>● Responsible sourcing</td>
<td>● Health and safety</td>
<td>● Resource scarcity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Climate change risk</td>
<td>● Environment, health and safety</td>
<td>● Responsible sourcing</td>
<td></td>
<td></td>
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<tr>
<td>● Ethical business practices and compliance</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Sustainability leadership</td>
<td>● Environment, health and safety</td>
<td>● Water use</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Responsible sourcing</td>
<td>● Environment, health and safety</td>
<td>● Air quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Social and ethical sourcing</td>
<td>● Environment, health and safety</td>
<td>● Greenhouse gas emissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Governance</td>
<td>● Environment, health and safety</td>
<td>● Product lifecycle management</td>
<td></td>
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</tr>
</tbody>
</table>

#### Principal risks and uncertainties
- ● Existing market outlook
- ● Future revenue growth
- ● Maintaining competitive advantage
- ● People
- ● Business transition
- ● People
- ● Ethics and compliance
- ● Environment, health and safety
- ● Sourcing of strategic materials
- ● Intellectual capital management
- ● Failure of significant sites
- ● Product quality
- ● Environment, health and safety
- ● People
- ● Ethics and compliance

#### Strategic themes
- ● Creating shareholder value
- ● Sustainable growth
- ● Diversity and inclusion
- ● Zero harm
- ● Greenhouse gas emissions
- ● Increase positive impact of products
- ● Community engagement
- ● Responsible sourcing
- ● Sales excl. precious metals
- ● Underlying earnings per share
- ● Return on invested capital
- ● Capital expenditure
- ● R&D expenditure
- ● Lost time injury and illness rate (LTIIR)
- ● Annual incidence of occupational illnesses
- ● Voluntary employee turnover
- ● Carbon footprint
- ● Gross R&D expenditure

#### UN SDGs

Fig. 1. The United Nations Sustainable Development Goals (2)
Johnson Matthey, Sustainability and Our Markets

Customer demand for sustainable, technological solutions to global issues defines our markets. Johnson Matthey’s markets are driven by four global sustainability drivers (Figure 2). These four drivers present significant global challenges which Johnson Matthey believes can be addressed by science-led solutions; they also strongly align with specific UN SDG indicators.

Johnson Matthey’s Focus to 2025

We are continuing to apply sustainable business principles as the basis of our strategy and in 2017/18 we will introduce new targets to drive further progress over the next eight years to 2025. These will align to the strategic themes with emphasis on our contribution to sustainable development through our value chains, and through our science and technology. They will also allow us to demonstrate how Johnson Matthey uses inspiring science to enhance life.

Drawing on these material areas and an understanding of the contribution we can make in the world, we have defined six themes which form part of our sustainable business goals to 2025. These are:

1. For health and safety, aspire to zero harm
2. Improve sustainable business practices in our supply chains
3. Reduce our greenhouse gas emissions per unit of production output
4. Ensure that Johnson Matthey is truly inclusive, fostering employee engagement and development within a diverse and global workforce
5. Increase the positive impact that our products, services and technologies contribute to a cleaner, healthier world
6. Increase our work within our local communities through Johnson Matthey’s employee volunteering programme.

These themes will provide a framework as we continue to build a sustainable business. Goal 5 specifically will use the UN SDG framework to track progress and the overall global impact of the products and technologies that we provide to the market and the world.

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References


