

Chief Executive's Introduction

Johnson Matthey is a world leader in environmental technologies and with more than 50% of our profits generated by products that directly benefit the environment, sustainability is a key element of our strategy for the future growth of our business.

For us, sustainability is fundamentally about the best long term way to run a business. There is growing concern globally, including among our employees, our customers, the communities in which we operate and others with whom we work closely, about the way countries, companies and people are using the world's resources. This is affecting people now in many ways and our decisions and actions today will affect future generations for a long time to come.

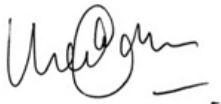
In December 2007 we launched [Sustainability 2017](#), a long term vision for the whole group that is playing an important role in helping all of us at Johnson Matthey to set our direction and aspirations for what we want to achieve in the future. Our aims for this ambitious plan are to at least double our earnings per share whilst achieving zero waste to landfill, zero accidents and halving the key resources that we consume per unit of output by 2017, the 200th anniversary of the founding of the company. This is the first time that we have set out a vision in this very important area and we wanted it to be challenging and long term.

For Johnson Matthey, there are two key thrusts to our sustainability vision, one with an internal focus and the other external. The first is about being more efficient with the resources we use as a business and the second is about designing new products that help our customers to be more sustainable and competitive.

Since the launch of the vision we have begun the process of embedding sustainability into every aspect of our business planning and decision making. As a first step to achieving this, in February 2008 all businesses presented their own sustainability plans as part of the group's annual budget review process. We have given guidance to all our people and given focused training to key functions to support them in delivering these plans. We are also working increasingly with our suppliers and other partners to engage them in delivering our sustainability vision for 2017.

Sustainability is a challenging area for business but also a very exciting one for Johnson Matthey. We know it isn't an overnight achievement; realising our goals will be done through a million small actions involving all of our employees. We have now set out our vision and our aspiration but we look to all people in the business to be leaders in achieving this ambitious goal.

In this report we explain what sustainability means to Johnson Matthey, our progress so far and the work we are doing as we begin to work towards achieving the goals we have set. As a responsible company, we need to be clear about our sustainability goals and how we deliver them for our customers and society through better products and fewer impacts. By doing this we will benefit from continuing to be profitable and growing in our chosen markets.



Neil Carson
Chief Executive



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>50%
of profits from products that directly benefit the environment

200 years
time we have been innovating better products

Sustainability 2017

In December 2007 we launched Sustainability 2017, our long term vision for the future:

Johnson Matthey is a global business focused on its core skills in catalysts, precious metals, fine chemicals and process technology. It is our strategy to grow our business through investment in technology, the application of key niche market knowledge, the development of products concerned with protecting the environment and through the responsible management of the very valuable materials with which we work.

Throughout the company we are committed to the principles of sustainable development and strive for outstanding resource efficiency and carbon neutrality. Going forward, we aim to further develop and enhance sustainability as a core competence and key driver of competitiveness for our business. We aim to encourage our suppliers and customers to adopt the values of sustainability which we uphold and, for the benefit of our customers, we aim to apply our expertise to the development of a new generation of sustainable products and services.

For the benefit of our shareholders, our employees and for society as a whole, we aim to more than double our earnings per share whilst achieving zero waste and halving the key resources that we consume per unit of output by 2017, the year of Johnson Matthey's 200th anniversary, to create a business that will continue to grow and prosper in its third century.

>2x
earnings per share
by 2017

0 waste
to landfill by 2017

50%
reduction in resources
per unit of output used
by 2017

Our Vision for Sustainability

Sustainability 2017 is Johnson Matthey's long term vision for sustainability. It sets out the direction and our aspirations for what we want to achieve in the future.

We have two major business drivers for our vision. Firstly we must design and manufacture our products using fewer, less damaging resources per unit of output. By saving resources, from the major spends like energy, raw materials and water through to things we take for granted, like stationery, we are making Johnson Matthey a more sustainable company, reducing our impact on the planet and saving money at the same time.

Secondly, we must develop improved, more efficient, more durable products for our customers. We must also further develop our existing products to make them more efficient in use. This will enhance our customers' performance and reduce their sustainability footprint and at the same time will improve our competitiveness.

Sustainability is a Way of Working

Building sustainability into our business planning and decision making is an important step in achieving our vision and from February 2008 sustainability became part of our budget review process for all our businesses. During the next year, businesses will be working towards their plans and setting appropriate targets. We expect this process to evolve over a number of years and will be working very hard to refine our measures of performance so as to monitor our progress against the business level targets and group targets in the vision.

Sustainability is a team game and we are working hard to engage with employees and provide them with the knowledge and tools they need to deliver the vision. Although Sustainability 2017 is a corporate vision it will be implemented locally within each business in a different way with engagement across their functions and with their customers. The corporate vision is important but our businesses will need to lead on how they will make their own contribution.

Our people are a key part of our sustainability goals and for Johnson Matthey's sustainability vision to be effective we must continue to have the best interests of our people at the centre of what we do. Our people must trust that we are doing everything we reasonably can to ensure they go home in at least as good a physical and mental condition as when they come to work. Their development, health and wellbeing underpin our aspirations to become a more sustainable business. Sustainability is also important to the communities in which we are based. We are seeing that their concerns about the sustainability of communities and ways of life are the same as those that we have about being a sustainable business. Engaging in community sustainability issues is an integral part of making ours a more sustainable business.

Johnson Matthey in 2017

Since its foundation as a precious metals assayer in 1817, Johnson Matthey has continued to develop new technology, demonstrating its ability to maintain world leadership by adapting constantly to the ever changing needs of its customers and society. It has evolved into a world leading speciality chemicals company and today, many of its products make a positive contribution to the environment and society as a whole.

Sustainability is one of today's major challenges for society and for business. It is a complex area but is the right thing for responsible businesses to pursue. If we are successful in realising our Sustainability 2017 Vision, the best accolade we will have is that Johnson Matthey is in excellent shape to begin its third century as a leader, an innovator and a contributor to society in everything we do.

“ Sustainability is here to stay. It is not a passing fashion. It is about the future of our planet. ”

Neil Carson
Chief Executive

The Group at a Glance

Johnson Matthey is a speciality chemicals company and a world leader in advanced materials technology. We are focused on our core skills in catalysis, precious metals, fine chemicals and process technology, developing products that enhance the quality of life for millions of people around the world. We have operations in over 30 countries and employ around 8,700 people. Our operations are organised into three global divisions: Environmental Technologies; Precious Metal Products and Fine Chemicals & Catalysts.

