

Our sustainability strategy

Looking back: our progress

We have made strong progress against our 2020 sustainability targets, which related to the United Nation's Sustainable Development Goals (SDGs) that are most relevant to our business.

We report below our progress against these targets, which were originally scheduled to close at the end of 2020. Our new sustainability strategy reflects our updated business strategy with enhanced targets to further advance our sustainability goals, as described on [page 13](#). We will continue to measure and report on key sustainability metrics.

Our material issues	Our 10 long-term aspirational goals	Our 2020 targets	Progress since 2016 baseline	Status	Most relevant SDGs	Specific SDG target*
Care (putting people first) Prevent illness and injury Ensure the health, safety and wellbeing of all Smith+Nephew's employees and contractors	Zero work-related injuries and illnesses across the value chain	- 10% reduction in Total Injury Rate (TIR) from 2016 baseline	- A reduction of 6% since 2016 (in 2016 the TIR was 0.52, in 2019 the TIR was 0.49)	AT RISK		8.8
Operate ethically Enhance trust and promote equal opportunity	Ethical Business Practices: All activities are conducted in compliance with applicable International Labor Organization (ILO) conventions, involve no environmental degradation, and are free from corruption	- Labour practices throughout the supply chain associated with products accounting for 75% of revenue compliant with applicable ILO conventions	- Products accounting for 75% of revenue identified. Assessment to applicable ILO conventions completed for internal operations. Engagement with upstream suppliers and downstream distributors and agents under way	ON TRACK		8.7 8.8
Ensure product and service quality Improve efficiency, enhance trust and reliability	Zero product-related and service-related patient injuries	- Robust system in place to detect, record, investigate and eliminate root cause of product-related and service-related patient injuries	- Systems are in place to detect, record and investigate patient injury incidents. Patterns in the data are being used to craft models which will allow identification of at-risk attributes. The root cause investigation and mitigation protocols are in place and operational	ON TRACK		3.8
Engage communities Promote trust and extend access to care. Enhance our potential pool of talented employees	Robust social responsibility programmes which contribute to the attraction and retention of top talent	- Social responsibility strategy which aligns philanthropy, employee volunteering and wellness to the business strategy in place	- Social responsibility strategy in place but requires updating to align with the Group business strategy and the new sustainability strategy	ON TRACK		10.2
Enterprise risk management Comprehensively assess and mitigate risks across the entirety of Smith+Nephew, to ensure sustained profitability	Strategic risks and opportunities are understood and business activities are aligned to risk appetite	- Enterprise risk management arrangements are embedded in the routine business decision-making process	- Enterprise risk management processes and supporting manual redeveloped - Senior business risk champions appointed and trained in risk management - Risk registers refreshed and mitigating actions regularly monitored and updated - Principal risks aligned to new organisation structure and strategic imperatives	ON TRACK		

➤ *See page 45 for data references

Looking back: our progress

Our material issues	Our 10 long-term aspirational goals	Our 2020 targets	Progress since 2016 baseline	Status	Most relevant SDGs	Specific SDG target*
Collaboration and Courage (delivering products with a reduced footprint) Use water responsibly Enhance availability of water for alternative uses, reduce conflict and reduce environmental impact	Water: Total water impacts of our products and solutions are balanced with local human and ecosystem needs	<ul style="list-style-type: none"> Water footprint (1) available for products accounting for 75% of revenue and (2) considerations embedded in new product development process Total potable water consumption at S+N sites no higher than 2016 actual 	<ul style="list-style-type: none"> Products accounting for 75% of revenue identified. Water footprint tools identified Life Cycle Assessment (LCA) not completed Water reduction of 5% since 2016 	ON TRACK		6.4
	Waste: All materials are either shipped as part of product or returned for beneficial use	<ul style="list-style-type: none"> Total material efficiency estimated for products accounting for 75% of revenue 80% or more of waste generated reused, recycled or recovered 	<ul style="list-style-type: none"> Products accounting for 75% of revenue identified. Material efficiency tools identified LCA not completed We currently reuse, recycle or recover energy from 76% of our total waste, up from 74% in 2016 	ON TRACK		12.2 12.4 12.5
Reduce carbon emissions Improve resource efficiency and reduce conflict, while enhancing biodiversity and mitigating climate change	Carbon: 80% absolute reduction in total life cycle greenhouse gas emissions by 2050	<ul style="list-style-type: none"> Estimate total life cycle greenhouse gas emissions of products accounting for 75% of revenue Total Scope 1 & 2 greenhouse gas emissions reduced by 10% from 2016 actual 	<ul style="list-style-type: none"> Products accounting for 75% of revenue identified. Total life cycle greenhouse gas emissions tools identified Greenhouse gas emissions reduction of 16% since 2016 	ON TRACK		
	Products and services are aligned to market economic, social and environmental expectations and anticipate future market conditions. All products have identified and clearly-described sustainability attributes R&D and New Product Development (NPD) processes deliver environmental-, social-, and healthcare economically-advantaged innovations	<ul style="list-style-type: none"> Sustainability attributes described for products accounting for 75% of revenue Robust emphasis on sustainability attributes of new products/services in place 	<ul style="list-style-type: none"> Products accounting for 75% of revenue identified. Product/service sustainability attributes agreed NPD sustainability focus planning under way 	ON TRACK		3.8 10.2 12.2 12.4 12.5
Develop products with sustainable attributes Increase access to care, improve our environmental impact and reduce costs	Environmental, social, and economic impacts of (1) potential acquisitions, (2) technologies to be extended to Emerging Markets, (3) innovative business models, (4) cost-of-quality reduction initiatives, and (5) manufacturing siting, functional optimisation and site utilisation alternatives are fully understood and appropriately balanced	<ul style="list-style-type: none"> Formal programmes in place to measure/ assess the economic, social and environmental impacts of (1) potential acquisitions, (2) technologies to be extended to Emerging Markets, (3) innovative business models, (4) cost-of-quality reduction initiatives, and (5) manufacturing siting, functional optimisation and site utilisation alternatives, (5) manufacturing siting, functional optimisation and site utilisation alternatives 	<ul style="list-style-type: none"> Conducted a number of 'deep dives' into several key risks. Tools and standards to address new technologies are being developed to support our NPD work above LCA outputs not available 	AT RISK		

» *See page 45 for data references