



Application Form

Johnson & Johnson
Name of corporation

One Johnson & Johnson Plaza, WH6G33
Street address (U.S. corporate headquarters)

Street address (continued)

New Brunswick, NJ 08933
City/State/Zip code

Please give us information about your contact person for the
Performance Track Corporate Leader category.

Name Elizabeth Lascelle

Title Manager, Worldwide Environmental Affairs

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Company Website <http://www.jnj.com> [EXIT disclaimer >](#)

Section A

Tell us about your company.

Why do we need this information?

EPA needs background information on your corporation to evaluate your application.

What do you need to do?

Provide background information on your corporation.

1 What do you do or make at your company?

Diversified Healthcare Company (pharmaceuticals, nutritionals, medical devices, consumer products)

2 List the North American Industrial Classification System (NAICS) codes that you use to classify business at your company.

<u>CODE</u>	<u>TITLE</u>	<u>% of SALES</u>
3254	Pharmaceutical & Medicine Mfg	54%
3391	Medical Equipment & Supplies Mfg	32%
3256	Soap, Cleaning Cmpds & Toilet Prep Mfg	8%
3222	Converted Paper Product Mfg	3%

3 Is there anything else you would like to tell us about your company (e.g., active membership in other federal, state, tribal, non-governmental organization, or industry-sponsored voluntary environmental programs that involve commitments to improve environmental performance)?

1. Johnson & Johnson partners with a number of environmental organizations. We are active members of the World Resources Institute (WRI), the World Business Council for Sustainable Development (WBCSD), the Global Environmental Management Initiative (GEMI) and Business for Social Responsibility (BSR).
2. Members of our senior management team serve on the boards of the World Environment Center (WEC) and the World Wildlife Fund (WWF).
3. Johnson & Johnson has been listed on the Dow Jones Sustainability Index for the past 5 years and is rated "AAA" by Innovest Strategic Advisors (the highest rating).
4. Johnson & Johnson participates in EPA's voluntary Climate Leaders program and the Green Power Partnership (where we received the 2003 Green Power Leadership Award.)

Section B

Why do we need this information?

Companies must be actively and substantially involved in Performance Track to be designated a Performance Track Corporate Leader. We're also interested in your membership in similar state performance-based programs.

Tell us about your level of facility membership in Performance Track or similar state programs.

What do you need to do?

Tell us what percentage of your company's operations are members of Performance Track or similar state voluntary performance-based programs.

- | | | | |
|---|---|-------------------|------------------------|
| 1 | Approximately how many significant facilities or sites does your company operate in the U.S.? | <u>46</u> | |
| | | Performance Track | Similar State Programs |
| 2 | How many of these facilities are members of Performance Track or similar state voluntary performance-based programs? The threshold criterion is that you have at least five facilities that are members of Performance Track. | <u>39</u> | |
| 3 | What number of your operations in the U.S. are members of Performance Track and similar state programs? The threshold criteria are that at least 25% of your operations (based on number of facilities or employees) or at least 25 of your facilities are members of Performance Track and similar state programs. A minimum of five of your facilities must each be a Performance Track member. | | |

Use only one of these six options based on number of facilities or employees in the U.S. to report your membership:

Section B, continued

		Number of Facilities	Members of Performance Track	Members of Similar State Programs
i	Manufacturing,	_____	_____	_____
ii	“Major,” or	_____	_____	_____
iii	All;	<u>46</u>	<u>39</u>	_____

or

		Number of Employees	Employees at Facilities in Performance Track	Employees at Facilities in Similar State Programs
<i>b.</i> Employees (FTEs) in U.S. facilities:				
i	Manufacturing,	_____	_____	_____
ii	“Major,” or	_____	_____	_____
iii	All.	_____	_____	_____

All = manufacturing plus R&D, minus those known to be closing shortly, warehouses & sales/marketing offices

Section C

Tell us about your management of environmental issues.

Why do we need this information?

Companies need to show they have systems in place to manage and improve environmental performance throughout their operations.

What do you need to do?

Rate the systems you use to manage and improve your environmental performance. Refer to the Application Guide for further explanation to determine the appropriate response. Please briefly explain your ratings.

- | | | |
|---|---|----------------------|
| 1 | There exists a Board of Directors committee or senior management group in our company to establish and oversee our environmental commitment.
<u>A Public Policy Advisory Committee (PPAC) advises and makes recommendations to the Board of Directors on issues regarding the environment and the health and safety of employees. The PPAC meets three times / year and the VP, Technical Resources and Compliance is an active member of this committee. A Worldwide Environmental Steering Committee (WWESC) is chaired by the Vice Chairman of the Board / CFO and is chartered to review company-wide environmental performance and the effectiveness of the environmental policy. It also monitors emerging issues and risks and helps drive management accountability. The group meets twice a year. Senior business leaders from each business segment present their environmental performance.</u> | 1 2 3 4 5 N/A |
| 2 | Our corporate environmental policy (or its equivalent) assigns corporate priority to environmental issues, commits us to meeting all applicable regulations and voluntary commitments, preventing pollution, continually improving our environmental performance, and sharing information about our environmental performance with the public. <i>(Please attach a copy of your policy.)</i>
<u>Policy attached. Communicated internal and external. In addition, each Johnson & Johnson manufacturing and R&D site has a site-specific environmental policy.</u> | 1 2 3 4 5 N/A |

See: [WORLDWIDE ENVIRONMENTAL POLICY.pdf](#) (PDF, 1 pp., 78K)

Section C, continued

- 3 We have established corporate environmental goals; these goals apply 1 2 3 4 **5** N/A to all our operations. *(Please attach a copy of your goals.)*
Johnson & Johnson has had corporate environmental goals every year since 1990. Goal setting begins with the environmental department interviewing sustainability thought leaders and conducting benchmarking against peer companies. Worldwide Environmental Affairs synthesizes the feedback and proposes broad categories for goals, which are then presented to our entire community of global environmental professionals. A further refined set of draft goals is presented to senior management and then back to the originally interviewed thought leaders. Once agreement is reached on final goals, a tactical implementation of the goals begins – developing data collection systems and timeframes for reporting – internally and externally. This attachment contains Johnson & Johnson’s “Next Generation Goals” for the period 2000-2005:
- See: [Next Generation Goals.pdf](#) (PDF, 2 pp., 33K)
- 4 Our top environmental official reports directly to a senior management 1 2 3 4 **5** N/A official.
Brian K. Boyd, VP Worldwide Environmental Affairs, reports to the VP, Technical Resources & Compliance, a Corporate Officer. The attachment below shows the Johnson & Johnson’s environmental organization / accountability and the relationship of the PPAC and WWESC.
- See: [Governance.pdf](#) (PDF, 1 pp., 53K)
- 5 Our corporate-level environmental procedures provide a framework 1 2 3 4 **5** N/A for facility-level procedures, which in turn are adapted to the individual circumstances of each facility.
Johnson & Johnson’s Corporate Sustainability Practices, revised in 1999, provide this framework. Our procedures are both program-centric (e.g., air, water, waste) and management systems (e.g. patterned after ISO 14001 and then enhanced). The attachment shows the areas included. All Johnson & Johnson operating companies worldwide (manufacturing, R&D) are assessed against these criteria; it is the minimum standard. If local requirements are more stringent, they would become the standard, however we have not seen this as our Johnson & Johnson standards are very high.
- See: [WW Practices.pdf](#) (PDF, 1 pp., 48K)
- 6 Environmental performance is considered in evaluating and 1 2 3 **4** 5 N/A rewarding performance of managers and staff.
Johnson & Johnson is a decentralized corporation. Each operating company and facility determines to what extent environmental performance is a direct factor in compensation. Historically, simple transparency is the prevailing accountability system. Environmental

Section C, continued

performance is a part of the business' overall performance dashboard in many companies. In addition, environmental performance dashboards are created for each site, each company, each franchise and finally the whole corporation. These are presented at senior management meetings where business leaders have to discuss areas of poor performance and their plans to address them. For example, the Presidents of Medical Devices, Pharmaceuticals and Consumer Products present their results to the Worldwide Environmental Steering Committee.

- 7 We integrate environmental considerations into non-environmental corporate functions such as R&D, product and process design, marketing, strategy, finance, and accounting. 1 2 3 4 **5** N/A
We deploy a Design for Environment (DfE) process which considers environmental factors from concept to end-fate. It is how we minimize the environmental impact of new and modified processes and products. A computer-based DfE tool uses a quantitative scoring system that rates processes based on energy use, water use, hazardous material requirements, process efficiency / yield and non-product output generation. The DfE process is owned/initiated by our Research & Development organizations and has been in use for 10 years.

Existing products may go through a DfE assessment, but often, the environmental impacts of these get evaluated as part of our aggressive 5-year goals for footprint reduction. These challenging goals drive innovative solutions with existing products, especially considering how regulated our processes and products are by the FDA.

We also do environmental cost accounting. All sites collect and report their environmental spending, but the costs are not material within Johnson & Johnson. We do benchmark against peers where possible and we try to use the information to identify improvement opportunities.

- 8 We have corporate-wide measures to evaluate the environmental performance of the corporation as a whole and of its individual facilities. 1 2 3 4 **5** N/A
Performance dashboards are created for each facility, each company, each franchise, and ultimately, the corporation. An example is attached below. They are one-page visual indicators of environmental performance against all current environmental goals. A "stoplight" coloring system is used. Green indicates progress is on target. Red means the organization is not on target to meet the goal. These receive a great deal of visibility and discussion. They also result in improvement actions on the site Management Action Plan.

See: [Dashboard.pdf](#) (PDF, 3 pp., 111K)

- 9 We apply corporate worldwide standards that meet or exceed the regulatory requirements of the countries where we operate. 1 2 3 4 **5** N/A

Section C, continued

Johnson & Johnson's Sustainability Practices, which go beyond regulatory requirements, are deployed globally; all sites are audited against them. See Question 5 for more detail on the Practices. Facilities self-assess against these practices annually. Every 3 years (sometimes more frequently for high risk sites) each Johnson & Johnson operating company location has a third-party independent assessment. Sites are rated on their assessment performance and these results are tracked, trended and reported internally through the performance dashboard system.

- 10 We have in place corporate-level procedures to identify legal and other requirements that apply to our operations and/or products to ensure they are met at the facility level. 1 2 3 4 **5** N/A
- An emerging issues team tracks environmental concerns that have not yet been regulated. This team meets 4 times / year to review issues at their various phases of interest / concern. Because issues are dynamic and changing all the time, the team is also very dynamic. Subteams routinely form and disperse. Many issues result in the issuance of a "white paper" discussing the issue for business leaders to use in their decision making. White Papers are made available on the internal company website and they are discussed at the Worldwide Environmental Steering Committee meetings. A recent, very active team is the one following and participating in discussions about the potential risks of pharmaceuticals in the environment. In this case, discussions are leading to further investigation and some scientific exploration.

US regulatory issues are tracked through various online environmental news services; specific operational requirements are tracked by each facility. In addition, Johnson & Johnson maintains a corporate license to CyberRegs – an online state and federal regulatory tracking system – for use by all locations.

- 11 We have a corporate compliance management and audit system that is used to ensure that facility-level environmental management functions are performed effectively and to ensure that corrective and preventive actions are taken promptly when compliance issues are identified. 1 2 3 4 **5** N/A
- We have a process called MAARS – Management Awareness & Action Review System that utilizes an online assessment and tracking system called TRAC. Sites self-assess every year and are audited by Corporate or a 3rd-party every 3 years. The document below describes more detail of MAARS:

See: [MAARS.pdf](#) (PDF, 1 pp., 53K)

- 12 Top-level management reviews the environmental performance of the corporation and its facilities at least annually. This review encompasses both regulatory compliance and performance against the company's goals. 1 2 3 4 **5** N/A

Section C, continued

Twice a year, compliance and performance are reviewed by the Worldwide Environmental Steering Committee. (See questions #1,6 & 8.)

- 13 If applicable, we have a corporate post-acquisition program designed to bring newly-acquired facilities into compliance with our worldwide standards as soon as possible after acquisition. 1 2 3 4 **5** N/A

A member of our corporate environmental staff is involved in due diligence assessments of all mergers & acquisitions. A process is deployed to integrate all new acquisitions into the MAARS process within 18 months.

Please let us know of anything that you believe distinguishes your corporate environmental commitment and how this commitment is implemented throughout your operations.

Johnson & Johnson has set global environmental goals for almost 15 years and achieved significant progress in reducing our environmental footprint. Our culture is “beyond compliance” and we proactively seek out ways to be environmental leaders. We’ve been doing public environmental reports since 1999; we made an early commitment for all sites to be ISO certified and we consistently step up for voluntary programs like PTrack.

Section D

Why do we need this information?

Companies need to show they are committed to improving their environmental performance.

What do you need to do?

Companies need to describe past environmental achievements and make future environmental commitments.

Tell us about your past environmental achievements, future environmental commitments, and plans to increase your facility membership in Performance Track or similar state programs.

Part 1

First achievement

- 1 What area have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)
Category: Material Use
Indicator: Materials used
- 2 What was your improvement (state in actual and normalized quantities, such as to production) over the past five years? How did you achieve it? (Please refer to the Corporate Environmental Performance Table for measurement units.)

During the 3 year period 2001-2003, absolute raw material use increased just 5% while the company experienced a 30% increase in sales at the same time. When raw material use is normalized to sales, we achieved a 19% reduction in raw material use over the time period. This was accomplished in a variety of ways – by improving process efficiency in many cases, and in some cases, through product or packaging redesign. We will continue to implement reduction projects and track raw material usage through the end of 2005.

	2001	2003
Raw material (million pounds)	862	906
Sales (million \$)	32,317	41,862

Section D, continued

Part 2

First commitment

- 1 What area have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)
Category: Water Use
Indicator: Water used
- 2 What is your improvement goal (state in actual quantities) over the next five years? (Please refer to the Corporate Environmental Performance Table for measurement units.)

We commit to a 2% absolute reduction in water use by 12/2009 when compared to 2003. This is equivalent to saving 65,000,000 gallons of water, regardless of how our business continues to grow.

	water used - actual (million gallons)	water used – goal (million gallons)
2003	3250	
2010		3185

Johnson & Johnson has had water reduction goals for many years. From 1999 to 2003 inclusive, our total water use, normalized to sales, decreased 36%. We also had 9.4% cumulative avoidance projects implemented from 2001-2003. This further 2% *absolute* reduction in water use represents a challenging commitment for Johnson & Johnson – the company anticipates continued business growth and we are making a commitment to absorb all future growth *and* still lower water use 2%. Further, many of our facilities are already down to essential water use – sanitary, cafeteria and product. The figures we present already include all water uses – even outdoor. One of our main challenges is that the FDA regulates a substantial portion of our business and in doing so, is very prescriptive about water use for product quality. In the next year, we will be developing new water best practices for our facilities to evaluate and implement as determined to be feasible.

Second commitment

- 1 What area have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)
Category: Air Emissions
Indicator: Carbon Dioxide (GHG)
- 2 What is your improvement goal (state in actual quantities) over the next five years? (Please refer to the Corporate Environmental Performance Table for measurement units.)

Section D, continued

We commit to a 14% absolute reduction in greenhouse gas emissions by 2010 for our US and Puerto Rico operations as compared to 2001. This is the same commitment Johnson & Johnson has made under the EPA Climate Leaders program.

	CO ₂ emissions (tons)	CO ₂ emissions goal (tons)
2001	706,183	
2010		607,300

In addition, we further commit to a 40% increase in our fleet vehicle fuel efficiency when compared to 2003. (Metrics and a baseline are currently being developed for this commitment.)

Johnson & Johnson has seen a 274% increase in sales since 1990, but through implementation of our energy program, only a 26% increase in CO₂ emissions over the same period of time. Nonetheless, our commitment to absolute GHG emission reduction is unwavering. In 2003, our worldwide CO₂ emissions decreased by approximately 1% compared to the previous year. Our data will represent both direct emissions from our facilities as well as indirect emissions associated with purchased electricity. For accuracy, we also account for power pool regions consistent with the WRI Greenhouse Gas Protocol, which recalculates historical emission figures each year to reflect the current mix of our operating companies across the corporation.

Part 3

Please briefly describe your plan such that at least 50% of your operations or 50 of your facilities will be members of Performance Track (or similar state voluntary performance-based programs) within five years of being designated a Performance Track Corporate Leader.

Johnson & Johnson already meets this criteria and we have plans to encourage the remaining US manufacturing and R&D locations who are not in PTrack to apply. Those we have targeted, who are not yet in the program (mostly our new acquisitions), lack an application pre-requisite – such as their EMS. All Johnson & Johnson manufacturing and R&D locations are required to certify to ISO 14001 and this process typically takes 2-3 years.

Section E

Why do we need this information?

Companies need to show how they are improving the environmental performance of their value chain (includes suppliers, customers, and product and service designers).

Tell us how you help to improve the environmental performance of your value chain.

What do you need to do?

Companies need to describe past achievements and make future commitments.

Please rate your systems to manage the environmental categories of your value chain. Refer to the Application Guide for further explanation to determine the appropriate response. Please briefly explain your ratings.

Part 1

Description

1 Overall system to manage the environmental categories of your value chain.

a We have a system in place to manage the environmental impacts in our value chain. 1 2 3 **4** 5 N/A

We have programs for our upstream supply chain. Two of our internal Sustainability Practices relate to the value chain: “External Manufacturers” and “Supply Chain”. Our minimum expectation for all Suppliers is that they comply fully with all applicable E&S laws and regulations.

We have a process whereby each business identifies their high risk suppliers and communicates our expectation to them. Our requirements and policies are available to suppliers on our public website at www.jnj.com/supplier_resources. Some companies (e.g., McNeil) hold meetings with suppliers to share our EHS practices. Another company (Ortho-Clinical Diagnostics) has implemented a service to help their customer laboratories be more productive by deploying Johnson & Johnson’s “Process Excellence” approach to increase capacity, improve quality and eliminate waste (“ValuMetrix”).

One of the Johnson & Johnson operating companies in Puerto Rico is participating in a pilot program of the Green Suppliers Network (GSN), a

Section E, continued

collaborative venture between industry, the U.S. EPA and 360vu, the national account brand of the NIST Manufacturing Extension Partnership (MEP). GSN seeks to work with all levels of the manufacturing supply chain to achieve environmental and economic benefits by improving performance, minimizing waste generation and removing institutional roadblocks. The network encompasses manufacturing technical assistance resources across the United States that can help suppliers continuously improve their products and processes, increase energy efficiency, identify cost-saving opportunities, and optimize resources and technologies with the aim of eliminating waste.

b We have a system in place to encourage and/or mentor our suppliers and/or customers to actively participate in EPA, state, or other voluntary performance-based environmental programs. 1 2 **3** 4 5 N/A

- We encourage (and in some limited cases, mentor) our suppliers to be in compliance.
- We will have a new goal in 2006 that encourages ISO 14001 certification.
- We are one of the seven healthcare companies in EPA's Green Supplier Network pilot in Puerto Rico.
- We have been working with the WEC and US AID on supplier cleaner production programs in Mexico and Brazil.
- As part of our commitment to the International Chamber of Commerce (ICC) Business Charter for Sustainable Development, we encourage our suppliers to adopt these principles as well and to meet our expectations for EHS performance. In our ongoing dialogue with external stakeholders from the nonprofit, academic, and government sectors, supply chain impacts are identified as a key issue with rising expectations for Johnson & Johnson and others in our sector and across industry.

2 System to improve product and service performance

a We have a system in place to account for and improve the environmental performance of our new products and/or services throughout the product or service development process, including concept, design, and research and development. 1 2 3 4 **5** N/A

Our process is deployed/refreshed at many stages: concept, research, development, pilot, production, use, disposal. Johnson & Johnson EHS and procurement staff work together toward integrating EHS issues into ongoing supplier screening and evaluation activities. Integrating EHS performance screening within our procurement processes not only enables us to select the best suppliers, but also helps us communicate our expectations at the front end of the business relationship.

Section E, continued

- b* We use tools such as design-for-the-environment, life-cycle assessment, and/or industrial ecology, to minimize the environmental impacts of our products and/or services. 1 2 3 4 **5** N/A
We have a spreadsheet-based tool for DfE which will soon become web-based. It was developed in conjunction with the University of Wisconsin, our research and development people, and product / material consultants. The chemical list of lists is updated regularly. (See also previous responses under Q 7 / Section C.)
- c* We have a system in place to conduct reviews of our existing products periodically to ensure they are not potentially damaging to human health or the environment. 1 2 3 4 **5** N/A
We aggressively monitor emerging issues and evaluate them against our current products / operations. Emerging issues are discussed with senior leadership and factored back into our DfE evaluations and updates. (See also previous responses under Q. 10 / Section C.)
- 3 *System to work with suppliers*¹
- a* We have supplier environmental requirements that go beyond regulatory compliance (e.g., including areas such as management systems or management of non-regulated significant environmental aspects). 1 2 3 4 **5** N/A
See our attached policies: 1999 External Manufacturing and Employment of Young Persons and Supply Chain Sustainability Practice.

 See: [Policy EYP.pdf](#) (PDF, 2 pp., 26K)
 See: [Supply Chain.pdf](#) (PDF, 3 pp., 509K)
- b* We have a system in place to audit suppliers to ensure that they meet our environmental requirements. 1 2 **3** 4 5 N/A
We have a process in place to audit key suppliers and we are expanding this process across a broader base. Key suppliers are determined by each operating company and are generally those with higher business and E&S risks/impacts, or those that can be linked with current or emerging controversial E&S issues.
- c* We have a system (including providing incentives) in place to give preference to suppliers that provide products that meet our environmental criteria. 1 2 **3** 4 5 N/A
We have a range of applications where this is taking place. A major part of our

¹ Note: The term “supplier” as used here is defined broadly to include anyone from whom your company purchases a product or a service. It includes contract manufacturers, raw material suppliers, and service providers.

Section E, continued

pharma operation (Janssen) uses a supplier rating system that gives preference to suppliers who meet criteria including quality, safety and environmental. Corporate sourcing guidelines give preference to green suppliers of office furniture, carpeting, and paper products. Our energy program gives preference to purchasing green power and is in the process of converting a portion of the sales fleet to hybrid power vehicles. We have worked with some of our food service providers to source sustainable coffee.

4 *System to work with customers/users*

a We have a system in place to ensure that our customers use our products in an environmentally-appropriate manner. 1 2 3 4 5 **N/A**

b We have a system in place to ensure that we fully meet our business customers' environmental requirements. 1 2 **3** 4 5 N/A
Johnson & Johnson is responsive when customers ID particular needs / concerns (e.g., packaging for less waste). Customer concerns are expressed via our sales & marketing organizations and JNJ.com.

Since the late 1990s, Johnson & Johnson has been incorporating Six Sigma and Lean principles in our operations to reduce waste, conserve resources and drive down cost. We are very pleased to partner with the World Environment Center on a pilot program in Brazil to teach suppliers Lean assessment methodologies in order to enhance their manufacturing competitiveness while increasing environmental awareness. Janssen Cilag Farmaceutica participated in a training workshop in August 2004, along with several of our EMs and suppliers, to introduce clean production concepts and initiate the WEC Supply Chain Management Partnership in that part of the world.

c We have a system in place to take back products that lend themselves to reuse, recycling, or proper disposal. 1 2 **3** 4 5 N/A
The majority of our products (e.g., drugs, shampoos & lotions, artificial hips, surgical tools) do not currently lend themselves to takebacks. Nonetheless, we do have businesses that already have programs to take back used instruments for recovery of parts and preferred disposal (e.g., LifeScan takes back blood glucose monitors, Ethicon Endosurgery takes back unused endoscopic instruments and Ortho-Clinical Diagnostics has a program for their blood analyzers. We are also developing a broad 'product stewardship' goal for 2005-2010 wherein each company would identify their takeback opportunities and develop a program.

Section E, continued

Part 2

First achievement

- 1 What area have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)
Upstream / Product Design
- 2 What was the improvement over the past five years? How did you help achieve it? (Please refer to the Corporate Environmental Performance Table for examples of measurement units.)

During the period 2001-2003, Johnson & Johnson deployed a Design for Environment tool which captured 99% of all new products, processes and packaging and reviewed them to identify and minimize their environmental impact (about 1400 assessments completed). The tool uses a quantitative scoring system that rates processes based on environmental factors such as energy use, water use, hazardous material requirements, process efficiency and yield and waste generation. The tool helps us design more environmentally neutral products. As an example, when our Janssen Pharmaceuticals research organization applied DfE to the development of a second-generation manufacturing process for RISPERDAL® (risperidone), both raw material consumption and NPO generation were reduced 50%. In other cases, DfE leads to “greener” products through the early avoidance of materials with more toxic implications.

Part 3

First commitment

- 1 What area have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)
Category: Suppliers
Indicators: % of Audited External Manufacturers (EMs)
% of EM business terms/conditions that incorporate EHS compliance language
- 2 What is the improvement goal over the next five years? (Please refer to the Corporate Environmental Performance Table for examples of measurement units.)

The operating companies of Johnson & Johnson engage a significant number of third party External Manufacturing (EMs) suppliers to produce certain of our products. To reinforce our commitment to EHS, we seek to evaluate and influence robust EHS compliance at our EMs. Hence, we commit by Year End 2006 to:

- Conduct an EHS audit at 100% of our EMs
- Incorporate EHS compliance language into our business terms/conditions for 100% of our EMs
- Require corrective action plans where non-conformances are observed

Section E, continued

We are working to refine our global EM metrics. We currently estimate that ~25% of our EMs have been audited for EHS and ~60% of our business terms/conditions incorporate EHS compliance. Effective 2007-2009, we plan to expand our EM goals beyond a compliance focus to incorporate broader sustainability goals and metrics. We are now working to develop and pilot these goals and metrics.

Second commitment

- 1 What area have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)

Category: packaging design / redesign.

Indicator: amount of certified packaging

- 2 What is the improvement goal over the next five years? (Please refer to the Corporate Environmental Performance Table for examples of measurement units.)

We commit that by 12/2010, we will work with our suppliers to increase, by 50%, the amount of our paper-based product packaging that is derived from certified forests (e.g., AFPA's Sustainable Forestry Initiative) or that is made from recycled material containing at least 30% post-consumer content.

This is a new commitment for Johnson & Johnson. As such, baseline information is not yet available. In the early years of this commitment, we will be developing standards, data collection systems (e.g., units of measure, acceptable recycled content) and establishing a baseline. We anticipate reporting a baseline in early 2006.

Section F

Why do we need this information?

Companies need to demonstrate their commitment and identify appropriate mechanisms in place to publicly report their environmental performance.

Tell us about your public outreach and reporting of your environmental performance.

What do you need to do?

Describe what information you report to the public regarding your environmental performance. Refer to the Application Guide for further explanation to determine the appropriate response.

Public outreach


- 1 Do you have a corporate system to identify and respond to community and stakeholder concerns? If yes, please describe. Yes/No
Inquiries and comments come to our attention from a variety of places (e.g., JNJ.com, investor relations, investor surveys). Some go to operating locations and are handled locally. Those which come to the attention of the headquarters typically go through the VP, Worldwide Environmental Affairs. In addition, we proactively engage stakeholders for a variety of reasons. Most recently, we have done a lot of interviewing to help in the development of new Healthy Planet 2010 environmental goals. Each of our locations is required to have a community outreach plan that is updated annually. Through this process the needs of our local communities are addressed.
- 2 Are there ongoing citizen suits related to environmental issues at any of your facilities or against your company as a whole? If yes, please explain the circumstances. Yes/No
No.

Public environmental report

- 1 Please explain your mechanisms to make environmental data available to the public (environmental report, website postings, etc.)
Sustainability Report, printed and web. Also Performance Track website.

Section F, continued

If your company releases an environmental report:

- a* How frequently is this report published? Annually
- b* When was this report last published? April, 2004
- c* Is an up-to-date version of your report available on your website? **Yes**/No
(Please share the website address and attach five copies of report, if available.)
<http://www.jnj.com/community/publications/index.htm;jsessionid=Z205CN2KUA1MSCQPCCECZOYKB2IIWNSC> 

d To what extent does the environmental report or other mechanism to report your environmental performance to the public describe your performance in the following areas:

<i>i</i>	Materials use intensity/raw materials use	1	2	3	4	5	N/A
<i>ii</i>	Energy use	1	2	3	4	5	N/A
<i>iii</i>	Water use	1	2	3	4	5	N/A
<i>iv</i>	Packaging use	1	2	3	4	5	N/A
<i>v</i>	Product life environmental performance	1	2	3	4	5	N/A
<i>vi</i>	Air releases	1	2	3	4	5	N/A
<i>vii</i>	Greenhouse gas emissions	1	2	3	4	5	N/A
<i>viii</i>	Water releases	1	2	3	4	5	N/A
<i>ix</i>	Toxic releases	1	2	3	4	5	N/A
<i>x</i>	Hazardous waste disposed	1	2	3	4	5	N/A
<i>xi</i>	Solid waste disposed	1	2	3	4	5	N/A
<i>xii</i>	Recycling	1	2	3	4	5	N/A
<i>xiii</i>	Eco-efficiency measures	1	2	3	4	5	N/A
<i>xiv</i>	Environmental expenditures and savings	1	2	3	4	5	N/A
<i>xv</i>	Revenues associated with environmental activities, products, or services	1	2	3	4	5	N/A
<i>xvi</i>	Conservation activities/land use	1	2	3	4	5	N/A
<i>xvii</i>	“Negative” performance (spills, instances of non-compliance, fines, sanctions)	1	2	3	4	5	N/A
<i>xviii</i>	Community outreach activities	1	2	3	4	5	N/A
<i>xix</i>	Supplier environmental performance	1	2	3	4	5	N/A
<i>xx</i>	Other (please specify)	1	2	3	4	5	N/A

2 How will you make your environmental commitments and performance as a designated Performance Track Corporate Leader available to the public?

Section F, continued

Presumably, through the EPA website, linked to from JNJ.com. Substantial portions, if not all, will also be in our annual Sustainability Reports.

Section G

On behalf of Johnson & Johnson
[my company],

Application and Membership Statement

I certify that:

I have read and agree to the terms and conditions for Application and Membership as a designated Performance Track Corporate Leader, as specified in the *Performance Track Corporate Leader Guide* and in the *Application Guide*.

I have personally examined and am familiar with the information contained in this Application. The information contained in this Application is, to the best of my knowledge and based on reasonable inquiry, true, accurate, and complete, and I have no reason to believe the company would not meet all program requirements.

I agree that EPA's decision whether to accept companies into or remove them from the Performance Track Corporate Leader designation is wholly discretionary, and I waive any right to challenge EPA's acceptance or removal decision. I also understand that my company's membership in the program will not be considered to be legally relevant in any enforcement proceedings for violations of environmental requirements.

I am a senior executive of the company to whom the environmental function reports and am fully authorized to execute this statement on behalf of the company applying for the Performance Track Corporate Leader designation.

Signature sent by FAX

Signature/Date

Brenda S. Davis, Vice President, Technical Resources & Compliance

Printed Name/Title

732-524-2880

Phone Number/E-mail

bdavis@corus.jnj.com 

Company Name

Johnson & Johnson

Company Street Address

One J&J Plaza, WH7323

City/State/Zip Code

New Brunswick, NJ 08933

The National Environmental Performance Track is a U.S. Environmental Protection Agency program. Please direct inquiries to Dan Fiorino, 202-566-2869, or e-mail fiorino.dan@epa.gov.

To submit your membership application:

1) E-mail the completed form to fiorino.dan@epa.gov,

and

2) Fax the completed and signed participation statement (not the entire form) to 202-566-2989.

If you cannot e-mail the membership application, mail a hard copy of the entire completed form to:

Dan Fiorino
Director, Performance Track Program
U.S. Environmental Protection Agency
Office of Policy, Economics, and Innovation (1807T)
1200 Pennsylvania Avenue, NW
Washington, DC 20460