



2005 Annual Environmental Performance Report Form

Johnson & Johnson

Name of corporation

One Johnson & Johnson Plaza

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 designation.

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Annual Report # (1st, 2nd, 3rd, 4th, 5th):1st

Membership Term: 1

Reporting Year: 2005

Due Date: July 9, 2006

Section A

Your environmental performance commitments.

Please summarize your company's progress toward its environmental performance commitments, relative to the baseline year.

Part 1

First commitment

- 1 Category: Water Use
Indicator: Water Used
Baseline quantity (year): 3250 million gallons (2003)
2004 quantity: 2879 million gallons (2004)
2005 quantity (actual & normalized): 2906 million gallons
Goal quantity: 3185 million gallons

- 2 Summarize how you achieved improvements for this indicator through 2005 or, if relevant, any circumstances that delayed progress.

Johnson & Johnson committed to a 2% absolute reduction in the amount of water used by 2009 with 2003 as the baseline year. By the end of 2005, we surpassed that goal, achieving a 10% absolute reduction in water use. This translates into a decrease of 24% when indexed to sales. And we were able to achieve this in a business environment in which sales grew by 6.7%. Going forward, we will continue our efforts to meet our water use reduction commitment.

For the past two years, operating companies have implemented operational and facilities controls, like installation of low-flow toilets and sinks, and innovative water reduction practices, like the two highlighted below, to lower water use at their facilities.

San Angelo, Texas has an average yearly rainfall of 21 inches. Ethicon, Inc., located in San Angelo, supplemented the water-saving operational improvements they had made with a move to xeriscaping. Water-intensive trees, shrubs, plants and ground cover were replaced by decorative stone and drought-tolerant vegetation. Native species were planted on the property. Ethicon estimates that the move to xeriscaping will save the facility 350,000 gallons of water annually.

Johnson & Johnson Pharmaceutical Research & Development, L.L.C. (J&JPRD), located in Springhouse, PA, implemented a "zero" discharge cooling tower water treatment system. The purpose of the system was to reduce water consumption, use of wastewater treatment chemicals, and wastewater generation and discharges, while

improving efficiencies and easing the burden on the local water authority and wastewater treatment plant. The treatment system reduces by 60% the amount of mineralized water bled from the system and discharged to the sewer, which also reduces the amount of make-up water needed from the local water authority. J&JPRD achieved a savings of 4,800,000 gallons in 2005 due to implementation of this treatment system.

Second commitment

- 1 Category: Air Emissions
Indicator: Carbon dioxide (GHG)
Baseline quantity (year): 1,107,823 tons (2001)
2005 quantity (actual & normalized): 950,192 tons
Goal quantity: 952,727 tons (2010)

Note: The original baseline quantity was 706,183 tons for 2001, and the original commitment quantity was 607,300 for 2010. However, Johnson & Johnson follows the Greenhouse Gas Inventory Protocol developed by the World Business Council for Sustainable Development, which requires recalculation of historical emissions to reflect divestitures, acquisitions and mergers. The figures provided above for the baseline quantity and goal quantity have been recalculated so that they reflect the emissions from the same business entities as the 2005 figure. Using the 2005 recalculations, our emissions in 2004 were 1,039,480 tons, and the emissions reduction from 2004 – 2005 was 89,288 tons.

- 2 Summarize how you achieved improvements for this indicator through 2005 or, if relevant, any circumstances that delayed progress.

Johnson & Johnson committed to a 14% absolute reduction in carbon dioxide emissions as compared to 2001. By the end of 2005, we have achieved a 14.23 % reduction. Our challenge is to maintain that reduction as the company grows and the carbon offset markets change in the coming years.

Carbon dioxide emissions reductions have been and will continue to be achieved by mixing operational controls, such as using lights that consume less electricity, with the use of alternative, environmentally-friendly energy resources and the purchase of carbon offsets for our facilities. At the same time, we are addressing emissions from our fleet by purchasing hybrid vehicles (our fleet now include 570 such vehicles) and those that use biodiesel fuels.

In 2005, 29% of Johnson & Johnson's energy came from alternative and renewable sources. We are the second largest corporate user of onsite solar energy, and the largest corporate purchaser of wind energy, according to the World Resources Institute. We are also investing in cutting edge energy generation technologies, such as biomass and geothermal energy. Some examples of our alternative energy projects that came on line in 2005 are:

- Johnson & Johnson Consumer Companies, Inc. in Skillman, NJ installed a 505-kilowatt solar array, which provides enough power for approximately 500 homes. The array swivels to track the sun's arc, thus capturing the maximum amount of energy. This array joins other solar-energy projects in California, New Jersey, and Pennsylvania that are generating 2.0 megawatts of electricity for on-site use.
- Seventy five percent of the electricity needs of the ALZA Corporation research and development facility is supplied by an in-plant cogeneration system that burns methane from a nearby landfill.

Part 2

List your facilities that newly joined Performance Track or similar state performance-based programs in 2005.

ALZA Corporation, Mountain View, CA

Section B

Your value chain environmental performance commitments.

Please summarize your company's progress toward its value chain environmental performance commitments, relative to the baseline year.

First commitment

- 1 Category: Suppliers
 Indicator: % of audited External Manufacturers (EMs)
 % of EMs with business terms/conditions that incorporate EHS
 compliance language
 Baseline quantity (year): 25% of EMs audited, 60% of terms/conditions include EHS
 compliance language (2003)
 2005 quantity: 93% of EMs audited
 95% of terms /conditions include EHS compliance language
 Goal quantity: 100% of EMs audited
 100% of EMs with EHS compliance language in terms/conditions

- 2 Summarize how you achieved improvements for this indicator through 2005 or, if relevant, any circumstances that delayed progress.

Johnson & Johnson utilizes approximately 900 external manufacturers (EMs) to produce finished goods. We made substantial progress toward our goal to conduct compliance assessments at all of our EMs, and to incorporate EHS compliance language into our contract terms with our EM partners. By the end of 2005, 93% of EMs had been assessed by the J&J business unit that contracted with them, and 95% of our EMs had EHS compliance language incorporated as part of their terms/conditions. Of the EMs assessed in total, less than 1% of those audited were rated "unacceptable", and none of those were rated unacceptable on their follow-up audit.

Effective May 2006, we launched a new, broader set of standards for our EMs. These new standards (*Johnson & Johnson Standards for Responsible External Manufacturing*) encompass business conduct, product quality, labor and employment practices in addition to EHS practices. Effective January, 2007, Johnson & Johnson plans to assess our EMs for conformance to these standards and when necessary, will work with our partners to identify agree upon actions and schedules in order to achieve improvement.

Second commitment

- 1 Category: Packaging design/redesign
Indicator: Amount of certified packaging
Baseline quantity (year): to be developed in 2006
2005 quantity: N/A
Goal quantity: By 12/2010, a 50% increase in paper packaging that comes from certified forests or is recycled paper containing a minimum of 30% post- consumer recycled material
- 2 Summarize how you achieved improvements for this indicator through 2005 or, if relevant, any circumstances that delayed progress.
- 3 This commitment is a new one for Johnson & Johnson, and baseline information was not available in 2005.

The past year was a year of learning and planning in regards to the packaging commitment. We determined how we would report on this commitment (at a franchise rather than site level), and then began to collect information on how we purchase paper packaging. We learned that there is a central procurement center for paper packaging that services most of the franchises in the United States, but notwithstanding, some of our locations may be purchasing independently. Finally, we gained more understanding of the certification systems that are in place for forest certified paper and of the marks and requirements for those certifications.

In 2005 we also began a partnership with the World Wildlife Fund (WWF) Forest Trade Network. WWF is helping J&J to develop sustainable product purchasing guidelines to help us meet the 50% reduction goal.

We anticipate reporting a baseline amount of certified forest/recycled material paper packaging purchased for this commitment in 2006.

Section C

On behalf of _____
[my company],

I certify that:

I have read and agree to the terms and conditions for Membership as a Performance Track Corporate Leader, as specified in the *Performance Track Corporate Leader Guide* and in the *Application Instructions*. The company, to the best of my knowledge, continues to meet the program criteria.

I have personally examined and am familiar with the information contained in this Annual Report. The information contained in this Report is, to the best of my knowledge and based on reasonable inquiry, true, accurate, and complete.

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 / Date	_____
Printed Name / Title	<i>Brian K. Boyd, Vice President, Worldwide Environmental Affairs</i>
Phone Number / E-mail	732-524-3773/bboyd@corus.jnj.com
Company Name	Johnson & Johnson
Company Street Address	One Johnson & Johnson Plaza
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 202-566-2985.

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

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