

Implementing an Inventory Management Plan

Johnson & Johnson

Climate Leaders Partners Workshop
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What You Need to Know

- What GHG's to include
(CO₂, CH₄, N₂O, SF₆, HFC, PFC)
- Which facilities to include
(Manuf, R&D, Offices, Owned, Leased,
Minimum Size)
- What is your baseline year

What You Need to Know (cont.)

- What sources of GHG's to include
 - Direct – On Site
 - Indirect – Off Site
 - Mobile Sources
 - Employee
- How to account for changes
 - Mergers
 - Acquisitions
 - Divestitures

Resources Available

- WRI/WBCSD GHG Protocol
- Climate Leaders GHG Inventory Protocols
- Climate Leaders Inventory Management Plan Checklist
- EPA Consultants
- Other Consultants

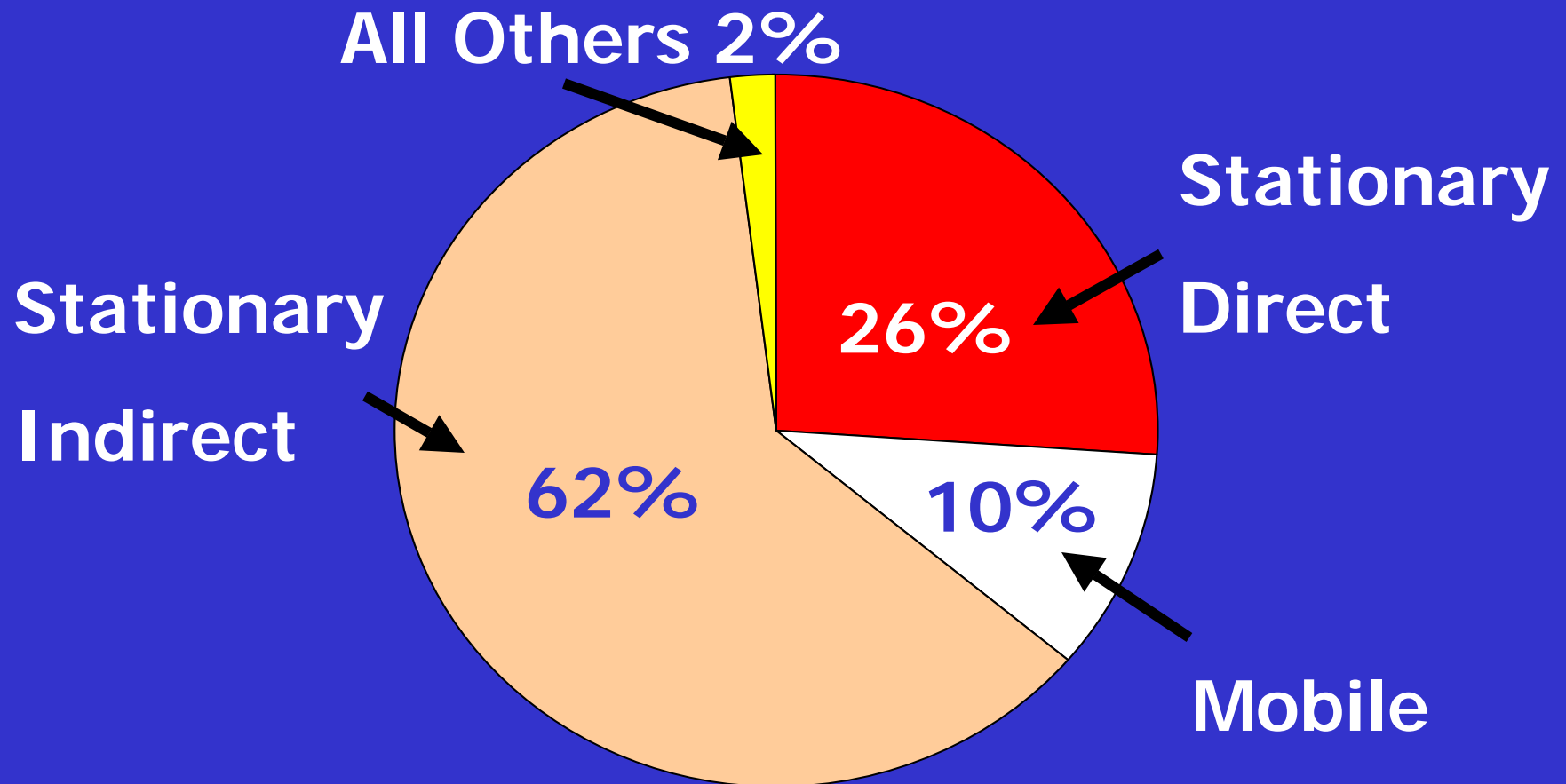
Johnson & Johnson Inventory Management

- Existing database since 1990
 - Direct and Indirect stationary sources
 - Completed project database
 - No mobile sources
- Internally developed web-based Energy Tracking System
 - Annual reporting by 261 facilities worldwide
 - Monthly tracking tool provided to each facility

Other GHG Emissions

- Mobile emissions (leased auto fleet)
 - Tracked by Strategic Sourcing for US/PR since 2001
 - Will track worldwide 2003-2005
- No process emissions
- HFC emissions
 - Completed inventory in 2002 in US/PR
 - Using estimated leakage determined to be <1%
 - Reporting of all HFC, HCFC & CFC WW in 2003
- Stationary Sources for small facilities
 - Evaluated and determined to be <1%

Total GHG Emissions in US/PR in 2002



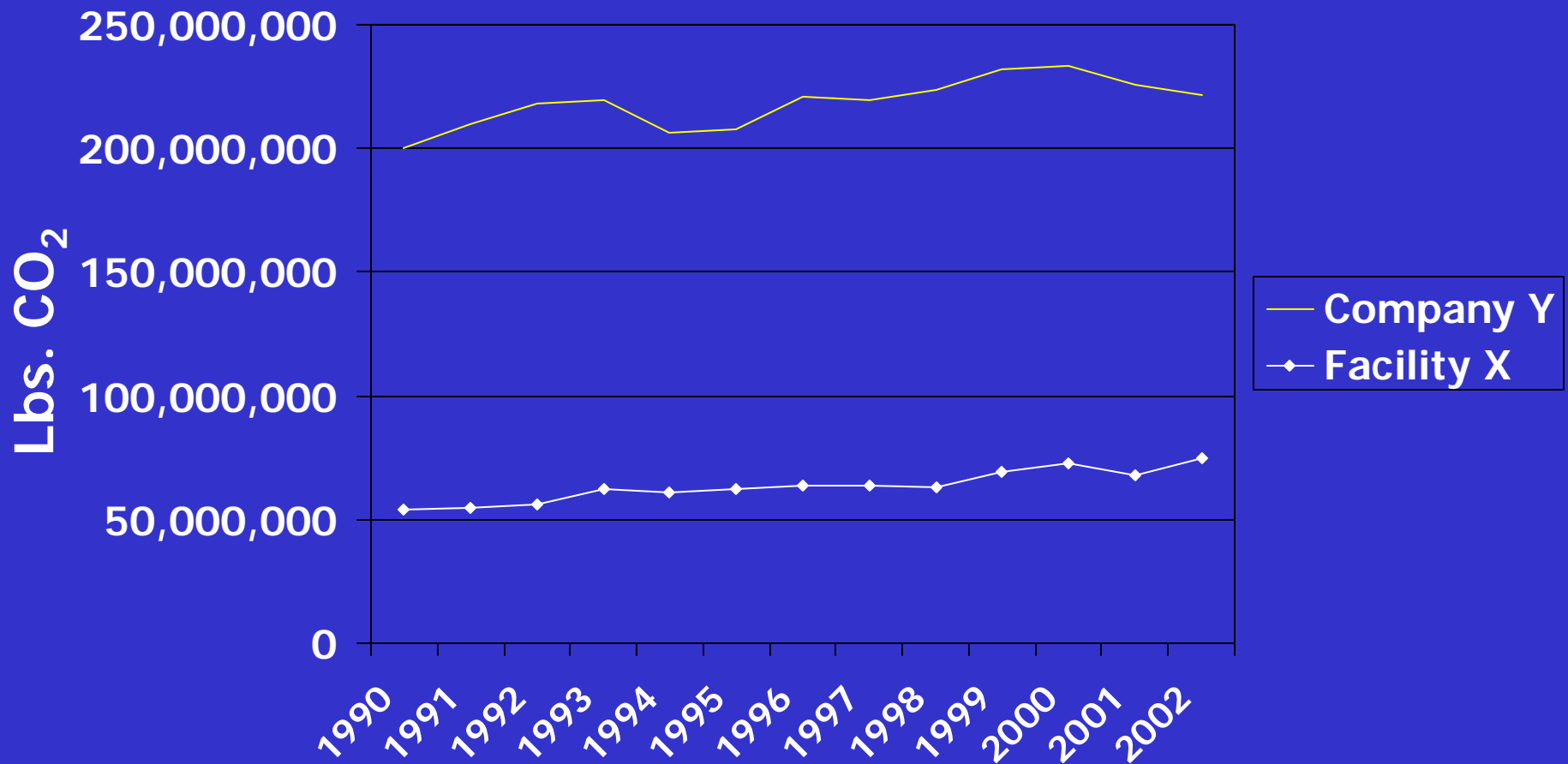
Energy Tracking System → GHG Tracking System

- Added table of CO₂ emissions factors
- Added additional fuel sources, green power, green tags, and other offsets
- Based on WRI/WBCSD GHG Protocol, established internal protocol
 - Added and deleted facilities
 - Acquisitions and divestitures
 - Annual change document
- 3rd party verification

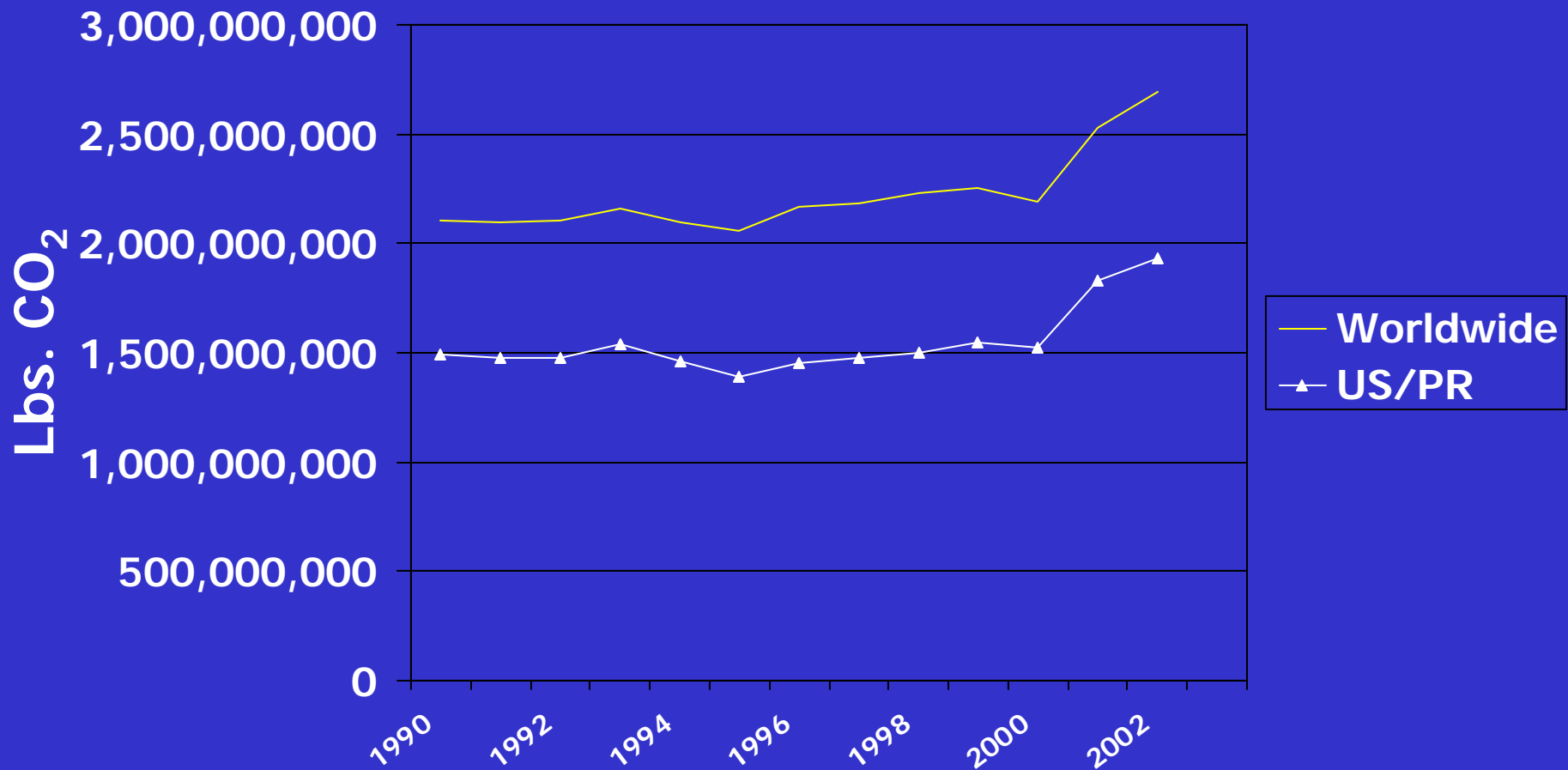
Johnson & Johnson Inventory Management Capabilities

- Document and report by: facility, company, operating group, country, worldwide
- Trend from 1990 to present
- Track on-site renewable and green power purchases
- Track landfill gas, bio-diesel
- Track renewable energy certificates (green tags)
- Accommodate sequestration (tree planting)

CO₂ Usage by Facility X and Company Y



CO₂ Usage in US/PR and Worldwide



Pathway to Reduce CO₂

- Energy efficiency improvements
- Combined heat and power (cogeneration)
- On-site renewables (solar, wind)
- Green power purchases
- Carbon trading and sequestration

- Increase fuel efficiency and implement alternative fuels for Johnson & Johnson fleet

Next Steps

- Review and update protocol annually
- Review and update GHG Tracking System annually
- Implement actions and determine results
- Report results internally and externally

**Questions?
Comments?
Suggestions?**