

Particulars

About Your Organisation

Organisation NameJohnson & Johnson

Corporate Website Address<http://www.jnj.com>

Primary Activity or Product

- Manufacturer
-

Related Company(ies)No

Membership

Membership Number	Membership Category	Membership Sector
4-0030-06-000-00	Ordinary	Consumer Goods Manufacturers

Consumer Goods Manufacturers

Operational Profile

1.1 Please state what your main activity(ies) is/are within manufacturing

- End-product manufacturer
- Home & Personal Care Goods
 - Cleaning Agents
 - Soap Tablet Finishing
- Own-brand

Operations and Certification Progress

2.1 Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

2.2.1 Do you manufacture for:

Own Brand

2.2.2 Total volume of Refined Palm Oil or RBD Palm Oil used in the year:

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2.2.3 Total volume of Palm Kernel Oil used in the year:

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2.2.4 Total volume of other Palm Oil Derivatives and Fractions used in the year:

84,285

2.2.5 Total volume of all palm oil products you used in the year:

84,285

2.3 Palm oil volume used in the year in your own brands that is sourced through RSPO-certified physical supply chains:

In Your Own Brand

No	Description	Refined palm oil/RBD palm oil (Tonnes)	Palm Kernel Oil (Tonnes)	Palm based derivatives or fractions (Tonnes)
1	Book & Claim	-	-	37,842.00
2	Mass Balance	-	-	-
3	Segregated	-	-	-
4	Identity Preserved	-	-	-
5	Total volume of palm oil handled that is RSPO-certified	-	-	37,842.00

2.4.1 Volume of Palm Kernel Expeller used/ handled:

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2.4.2 What type of products do you use CSPO for?

Personal Care Products: bar soaps, shampoos, shower gels, moisturisers, lip balms, sun care, dental care, over-the-counter medicines.

2.5 What is the percentage of certified sustainable palm oil in the total palm oil your company sells in:

Europe --%
 India --%
 China --%
 South East Asia --%
 North America --%

2.6 What is the percentage of certified sustainable palm kernel oil in the total palm kernel oil your company sells in:

Europe --%
 India --%
 China --%
 South East Asia --%
 North America --%

Time-Bound Plan**3.1 Date expected to/or started to use any RSPO certified palm oil products - own brand**

2010

3.2 Date expected to be using 100% RSPO certified palm oil products from any supply chain option - own brand

2010

3.3 Date expected to be using 100% RSPO certified palm oil from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products

2020

3.4 Do your (own brand) commitments cover your company's companies' global use of palm oil?

y

3.5 Does your company use palm oil in products in goods you manufacture on behalf of other companies?

n

When do you expect to actively promote the use of certified sustainable palm oil in other manufacturers' brands that you sell?

3.6 Which countries that your organization operates in do the above commitments cover?

Andorra, Argentina, Australia, Austria, Bangladesh, Belgium, Bolivia, Bosnia and Herzegovina, Brazil, Bulgaria, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Croatia (Hrvatska), Cyprus, Czech Republic, Denmark, Ecuador, Egypt, Estonia, Faroe Islands, Finland, France, France Metropolitan, Germany, Greece, Hong Kong, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Korea, Republic of, Latvia, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Monaco, Morocco, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Romania, Russian Federation, San Marino, Saudi Arabia, Singapore, Slovakia (Slovak Republic), Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Province of China, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, United States Minor Outlying Islands, Uruguay, Vatican City, Venezuela, Vietnam

3.7 What are your interim milestones towards achieving RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies

2015: Target of 6% from MB and SG supply chain options by year end - mostly from our top oleochemical strategic suppliers and through soap chip supply chains. The remaining ingredients from our top suppliers (80% of our ingredients) will be linked to RSPO transition plans of these suppliers. We will continue to support Greenpalm certificate purchases from smallholders and those we work with through our Palm Oil Fund, but will target resources on physical supply chains and not purchase certificates on the open market.

From 2015 Onwards our Palm Oil Sourcing Strategy aims to reach both our RSPO obligations and our additional public targets with a 5 pillar strategy to get Mass Balance, or better, RSPO-qualified ingredients:

1. Fully dedicate our resources to support our suppliers to transition to use mass balance, or better, certified oil. This will be achieved with our most strategic suppliers first.
2. Engage with external organisations like the RSPO and Consumer Goods Forum to accelerate the growth of sustainable palm oil and to create a robust certification scheme. We will focus our efforts specifically in the derivatives supply chains.
3. Continue with the phased engagement plan with Oleochemical suppliers. Where materials pass financial viability and business continuity assessments, introduce sustainably sourced derivatives into the supply chains. Request suppliers that are not yet members of RSPO to take active engagement and join to ensure their palm oil meets our requirements.
4. Fund specific projects focused on increasing the amount of certified material available in the market through the J&J Palm Oil Fund. The fund was established to support projects on the group to increase the availability of sustainable palm oil and has helped a number of global projects to increase smallholder yields, maximise current land use and support the RSPO standard.
5. Support our additional public commitments relating to responsible palm oil that are not explicitly covered by the RSPO standard, through both intervention with suppliers on mapping and understanding their supply chains. We will continue to independently uphold the standards in our Responsible Palm Oil Sourcing Criteria.

3.8 Date of first supply chain certification (planned or achieved)

2020

Trademark Related**4.1 Do you use or plan to use the RSPO trademark on your own brand products?**

No

Please explain why

The market for derivatives is not yet mature enough to supply the quantity or diversity of RSPO-certified ingredients we need for a typical personal care product.

In a typical J&J product, 30% of the ingredients might be palm-derived. While we have plans to transition our largest ingredients globally, we struggle to convince our smaller suppliers to support RSPO-certified materials. Given the number and diversity of our suppliers, it is too soon for us to commit to finished products that contain 100% certified materials.

GHG Emissions**5.1 Are you currently assessing the GHG emissions from your operations?**

Yes

5.2 Do you publicly report the GHG emissions of your operations?

Yes

Actions for Next Reporting Period

6.1 Outline actions that will be taken in the coming year to promote sustainable palm oil.

Johnson & Johnson has an active engagement strategy to encourage our suppliers of derivatives to transition to Mass Balance, or better, supply chains.

Our Responsible Palm Oil Sourcing Criteria dictate that we must pursue transparency to ensure that we are able to understand where our products are originating from and to take action to uphold our criteria, including on-the-ground projects and smallholder support programmes.

Though our strategy of engagement we expect our most strategic suppliers to submit transition plans for their supply chains, that we will begin deploying in 2015 and will be reflected in our reporting figures from next year onwards.

Reasons for Non-Disclosure of Information

7.1 If you have not disclosed any of the above information, please indicate the reasons why

Confidential

- Others:

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Application of Principles & Criteria for all members sectors

8.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:

- Water, land, energy and carbon footprints
[M-Policies-to-PNC-waterland.pdf](#)
- Land Use Rights
[M-Policies-to-PNC-landuseright.pdf](#)
- Ethical conduct and human rights
[M-Policies-to-PNC-ethicalconducthr.pdf](#)
- Labour rights
[M-Policies-to-PNC-laborrights.pdf](#)
- Stakeholder engagement
[M-Policies-to-PNC-stakeholderengagement.pdf](#)

8.2 What steps will/has your organization taken to support these policies?

We have a full division - Environmental, Health, Safety and Sustainability - dedicated to the implementation and monitoring of these policies located in all regions where we have operations. The full list of policies, background

information and updates can be found at:

<http://www.jnj.com/caring/citizenship-sustainability>

Commitments to CSPO uptake

**As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions:
Do you have plans to?**

Yes

Please specify

J&J has ambitious targets to source 100% of our derivatives from supply chains that meet our public responsible palm oil sourcing criteria, which includes RSPO certification.

We request that suppliers of Johnson & Johnson become members of the RSPO and submit their own plans to transition to MB/SG oil use for ingredients they supply to us.

We focus our resources on supporting these suppliers with their supply chain transformation planning, helping them with transparency in the supply chain and validation that the oil they are using is coming from sources that meet our public criteria. We work directly with our top suppliers to support on the ground projects to either increase the amount of certified material available, improve farming conditions, conserve areas of high conservation value and support smallholders.

We see positive developments within the RSPO to make the certification scheme robust, trusted and enforced and as such continue to see it as the preferred mechanism for sourcing sustainable palm oil.

9.1 Do you have plans to immediately cover the gap using Book & Claim?

No

Please explain why

Johnson & Johnson have supported Book & Claim from our very first interactions with the RSPO. We have seen Book & Claim benefit many smallholders and those who are unable to sell their oils directly into RSPO physical supply chains.

In recent years we have seen challenges in the speed of transition to Mass Balance and Segregated oils which is subsequently holding up the supply of certified derivatives. We have seen that open-market bidding for large numbers of certificates as a cause for slower transitions to physical supply chain options and we remain unable to verify that Greenpalm certificates purchased from the open market are from places that meet our public commitments.

We see Book & Claim as a key tool in our engagement programmes with smallholders and smaller farmers - supporting and encouraging RSPO certification regardless of scale. We will buy certificates directly from those we work with through our NGO-led projects.

We will no longer buy certificates on the open market; where we cannot guarantee the source nor how the financial incentives are managed. Instead we will direct these resources into supply chain transition plans for MB and SG with our suppliers and increase our activity with NGOs to engage those most in need of financial support - smallholders and smaller plantations.

Concession Map

Do you agree to share your concession maps with the RSPO?

No

Please explain why

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Challenges

1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

1. Scale-up of availability of certified material.

While it is possible to source MB/SG/IP CPO and PKO on the market, this material is not found in the derivative supply chains with enough scale to provide oleochemicals at a realistic economic point. In order to speed this up J&J have committed to buying a certain percentage of MB material as an intermediate step to SG and directing more financial resources at physical supply chain options vs. Book & Claim.

2. Difference in supply chain transformation between CPO and PKO. Progress towards SG is being made faster in CPO supply chain compared to PKO supply chains, mainly due to complexity. We mitigate this through our engagement programme with top suppliers, ensuring that they focus on both PKO and CPO despite the challenges of the former.

3. A need for extra resources to monitor and implement additional, public supply chain commitments.

There is a gap between the expectations of consumers and consumer goods companies and the RSPO criteria. We have increased the number of resources and visibility within J&J of both RSPO certification and our public Palm Oil Responsible Sourcing Criteria and are strong proponents of further improvements in the RSPO P&Cs.

2 How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

Yes

Robust:

Yes

Simpler to Comply to:

Yes

3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

J&J's Palm Oil Fund has been working with NGOs to deliver transformation at the very start of our supply chains - plantations. We have supported NGOs in projects that directly improve farming practices, increase yields and improve labour rights to meet RSPO criteria, with the ultimate aim of purchasing GreenPalm certificates that become available. We have undertaken one of our largest supply chain mapping and education exercises with our suppliers that use palm and palm kernel oil. To deploy both our demands for RSPO material as well as upholding our Responsible Palm Oil Sourcing Criteria we have actively engaged our strategic suppliers in meeting our responsible sourcing requirements.

4 Other information on palm oil (sustainability reports, policies, other public information)

J&J has Responsible Palm Oil Sourcing Criteria that we apply additionally to our palm and palm kernel derived materials - <https://www.jnj.com/sites/default/files/pdf/cs/JnJ-Responsible-Palm-Oil-Sourcing-Criteria>. This criteria takes additional steps, above and beyond the RSPO, to ensure that materials we source for our global usage meets our demands for the conservation of forests, the protection of Free, Prior and Informed consent of local communities and indigenous peoples, and the inclusion and support of smallholders in our supply chains. In order to meet our criteria we must understand where the material in our supply chains is coming from and to that effect we have partnered with The Forest Trust (www.tft-forests.org) to map and understand the complex supply network to our global production sites. We began deploying our criteria to our top suppliers in early 2014 and progress is reported on our corporate website. Through this engagement we push to have transparency in our supply chains and to mobilise our palm oil fund to improve the conditions and ensure that all the material we source meets our criteria. RSPO-certification meets most, but not all, of our sourcing criteria and we have concerns on the availability of RSPO-qualified derivatives for the majority of our oleochemicals. Because of this our traceability work happens in parallel to our commitments to the RSPO.

All our resources, policies, updates and statements can be found on the following pages of our corporate website:

<http://www.jnj.com/caring/citizenship-sustainability>