

About your organisation	
Name of the organisation:	Johnson & Johnson Consumer Europe Division of Cilag GmbH
Membership number:	
What is the primary activity or product of your organisation?	<p>Johnson & Johnson Consumer Companies, Inc. is a manufacturer and marketer of consumer healthcare products. Our primary businesses are women's health, oral care, wound care, skin care and baby care. Our products include formulations such as toiletries and cosmetics, engineered materials such as absorbents, and OTC pharmaceuticals. Johnson & Johnson Consumer Companies, Inc. is a member of the Johnson & Johnson family of companies.</p>
In addition to your activities as a consumer goods manufacturer, does your company have significant activities in any other parts of the palm oil supply chain?	None

<p>Organisation profile</p>	<p>Caring for the world one person at a time...inspires and unites Johnson & Johnson (J&J). We embrace research and science, bringing to market innovative ideas, and products and services that advance the health and well-being of people around the world. Our Family of Companies comprise the following business segments: Consumer Healthcare products, Medical Devices & Diagnostics, and Pharmaceuticals. Approximately 117,000 employees at more than 250 Johnson & Johnson operating companies work for our company. We are guided by the principles of Our Credo, created by General Robert Wood Johnson in 1943. These principles address our patients and consumers, our employees, the environment and communities we are part of and finally the shareholder. They are guiding us through to today. Our touch point with palm oil lies in our Consumer Healthcare segment. Our baby, beauty and nutritional products do contain oleo-chemicals, e.g. surfactants, stearins and esters that are fractionated or derived from palm oil. We do not buy any palm oil directly but purchase chemical ingredients that are derivatives of palm oil, e.g. surfactants, emollients, conditioners, esters and emulsifiers. We estimate that the current usage of palm oil in the chemical ingredients that we purchase is approximately 58,000 tons per year. This makes us a minor participant in the palm oil market; nevertheless we take our responsibility seriously. We continue to monitor and measure the usage of palm oil in our chemical ingredients.</p>
<p>Please list any related company operating within the palm oil supply chain, which is linked through more than 51% ownership. E.g. an affiliate, a majority shareholder in a joint venture, a subsidiary or a parent company</p>	<p>None</p>
<p>Operations and certification progress</p>	
<p>Total volume of CPO used per year (to nearest 500 tonnes)</p>	<p>Estimated 40, 000 metric tonnes</p>
	<p>0</p>
	<p>0</p>
	<p>0</p>
	<p>Certified volume - mass balance</p>
	<p>Certified volume - segregated</p>
	<p>Certified volume - Identity Preserved</p>

Total volume of PKO used per year (to nearest 500 tonnes)	Estimated 18, 000 metric tonnes	Volume certified
Number of certified supply chains and which supply chain option they use		Identity Preserved (t)
		0
		Segregation (t)
		0
		Mass Balance (t)
Timebound plan - Year expected to achieve 100% certified palm oil used	2015	
Other information		
Other information (sustainability reports, policies, other public information)	www.inj.com/responsibility	
Websites	www.inj.com/responsibility	
Further information on your organisation's commitment to sustainable palm oil	<p>Our commitment and membership of the RSPO, including other industry coalitions, is endorsed at the most senior levels in our business and has been shared with Johnson & Johnson employees and other stakeholders.</p> <p>We continue to seek ways to engage and build capacity of certified sustainable palm oil (CSPO) across the value chain, and actively encourage all our suppliers that produce materials using palm oil as a starting material to join the RSPO and to procure and use sustainable palm oil. We have created a dedicated team to execute this strategy, which aims to ensure, by 2015, that only certified sustainable palm oil is used in the ingredients that make up our products.</p> <p>As part of the Global Consumer Palm Oil Sourcing Strategy we work both internally with our companies and externally with our supply chain to meet this objective, supporting a number of specific projects to increase supply of CSPO through increasing small-holder yields, improve the usage of land and or support projects to increase global awareness around sustainable palm oil.</p>	
Contacts		
Primary contact:	Mr Simon Perry, Global Sustainable Palm Oil Sourcing Manager	
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Senior representative, authorising commitments:	Mr. Thomas Udesen, VP/Chief Procurement Officer - J&J Consumer Europe
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Person submitting progress report:	Mr. Simon Perry
Email:	sperry6@its.jnj.com
Financial contact for membership fee:	
THIS INFORMATION WILL NOT BE MADE PUBLIC	
Email:	
Fax:	

RSPO Annual Communication of Progress

1. Profile

Guidance: The following information, notably the operational structure, will help report users to adequately understand (and respond to) the context of your report. Give a brief description of operating companies and locations, subsidiaries, joint ventures, most important products and/or brands, estimated palm oil production or trade volume. This will only need to be supplied once, unless profile information has changed during the reporting period (e.g. through mergers or acquisitions).

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Our Family of Companies comprise the following business segments: Consumer Healthcare products, Medical Devices & Diagnostics, and Pharmaceuticals. Approximately 115,000 employees at more than 250 Johnson & Johnson operating companies work for our company in more than 60 countries around the world. We are guided by the principles of Our Credo, created by General Robert Wood Johnson in 1943. These principles address our patients and consumers, our employees, the environment and communities we are part of and finally the shareholder. They are guiding us through to today.

Our touch point with palm oil lies predominantly in our Consumer Healthcare segment. Our skin care products, over the counter medicines, oral and topical health products contain oleo-chemicals, e.g. surfactants, emollients, conditioners, esters and emulsifiers that are derived from palm oil. Most of our palm oil purchases are in the form of chemical ingredients derived from palm oil but we also purchase very small amounts of palm oil, mostly for our nutritional products.

We estimate that the current usage of palm oil and palm oil kernel oil derivatives in the chemical ingredients that we buy is approximately 58,000 tons per year. This makes us a relatively small user of palm oil in the Global market; nevertheless we take our responsibility seriously. We continue to monitor and measure the usage of palm oil in our products.

Name of the organisation:	Johnson & Johnson Consumer Companies Inc. Represented by Cilag GmbH International
Membership type (tick one only):	<input checked="" type="checkbox"/> Ordinary <input type="checkbox"/> Affiliate
Membership category (tick one only):	<input type="checkbox"/> Oil palm growers <input type="checkbox"/> Palm oil processors and traders <input checked="" type="checkbox"/> Consumer goods manufacturers <input type="checkbox"/> Retailers <input type="checkbox"/> Banks and investors <input type="checkbox"/> Environmental/nature conservation organisations(NGOs) <input type="checkbox"/> Social/development organisations (NGOs)
Operational structure of the organisation:	

Responsible Contact(s)

Primary contact for questions, feedback:	Name:	Thomas Udesen Chief Procurement Officer (EMEA)
	Address:	Johnson & Johnson Consumer Europe Division of Cilag GmbH International Landis & Gyr Strasse 1 CH-6300 Zug Switzerland
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Senior representative, authorising commitments:		Paulette Frank VP, Sustainability and EH&S Pfrank2@its.jnj.com
Person submitting progress report:		Thomas Udesen, tudesen@its.jnj.com
Financial contact for membership fee:		Simon Perry, sperry6@its.jnj.com

Guidance: The standard reporting period is 12 months or less. The date of submitting the report should not be longer than 3 months after the end of the reporting period.

Reporting Period:	Current Year 2011
Date of Report:	SUBMISSION DATE August 2011

2. Details of Progress

A. Analysis and Strategy for Sustainable Palm oil

1. High-level strategic view of the organisation's relation to sustainable palm oil and related longer term objective.

Johnson & Johnson has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2006. As a member of the RSPO we support the association's efforts to promote the growth and use of sustainable palm oil. These efforts include the support of projects designed to facilitate the implementation of sustainable palm oil practices and the development of solutions related to the adoption and verification of best practices for plantation establishment and management, procurement, trade and logistics. In addition to the RSPO, we are participating in separate broad industry coalitions and forums. We are actively engaging and encouraging our suppliers that produce materials using palm oil or palm kernel oil as a starting material to join the RSPO and to procure and use sustainable palm oil.

We fully recognize the link between palm oil, deforestation, and climate change. We also recognize the adverse impact on bio-diversity and palm oil related social issues. Therefore we are committed to contribute to solutions. Given the complexity of the issues, we believe that approaches that incentivize palm oil producers to produce in a sustainable way are most likely to yield results over the short-term. As a buyer of palm oil and palm kernel oil derivatives we appreciate and use pragmatic approaches

such as 'Book & Claim' certification governed by the RSPO and Green Palm.

2. Time bound plan with milestones/targets.

1. Establish a dedicated J&J Team, to work internally and externally to execute our Global palm oil strategy and achieve our Healthy Future 2015 goal to source all palm oil and palm oil derivatives from certified sustainable sources **(Complete)**
2. Evaluate opportunities to source segregated CSPO, CSPKO and where commercially viable, pilot its introduction into the J&J Consumer Healthcare Portfolio **(Ongoing)**
3. Continue to purchase palm oil and palm kernel oil certificates equivalent to 100% of our indirect palm oil usage annually via the Green Palm certification trading scheme, until a point whereby segregated CSPO, CSPKO becomes commercially and readily viable **(Complete & Ongoing)**
4. Maintain active engagement of our oleo-chemicals supplier base (as of October 2009) to encourage commitment to membership of the RSPO, the Industry Coalition Technical Working Group (TWG) and for continuous validation of palm oil, palm kernel oil volumes directly or indirectly sourced and used to manufacture our oleo-chemical ingredients **(Ongoing)**
5. Develop and deploy a global sourcing policy for our consumer product ingredients that are derived from agricultural commodities (including palm oil). The policy will address the social and environmental impacts of these sourcing activities and the steps we shall take to minimize those impacts. **(2012)**
6. All oleo-chemical purchases must contain only certified sustainable palm oil (CSPO) and certified sustainable palm kernel oil (CSPKO) **(Target completion is year-end 2015)**

3. Targets for the next reporting period.

1. Ensure the complete coverage of J&J's estimated 2011 indirect palm oil, palm kernel oil usage through "Book & Claim" and targeted agreements (Green Palm / OMD) with certificate sellers to ensure certificate coverage of all indirectly sourced palm oil, palm kernel oil
2. Continue to evaluate opportunities to include the Green Palm Logo on pack and evaluate opportunities to migrate to alternative RSPO supply chain mechanisms (Mass Balance, or Segregated)
3. Continue engagement and dialogue with the Industry Coalition TWG towards scoping the sourcing of palm oil and palm kernel oil derived ingredients, then map potential strategies and technical solutions towards a global multi-user supply chain for segregated CSPO, CSPKO
4. Continue to engage with the Coalition on Sustainable Palm Oil, to define a common industry approach to mitigating the complexity across the supply chain and defining a common way forward
5. Continue to remain an active member of The Consumer Goods Forum (TCGF) Deforestation work stream to work collaboratively to leverage shared knowledge to accelerate the introduction of CSPO, CSPKO into the market place
6. Increase the active engagement of our oleo-chemicals supplier base and encourage the adoption of goals to source only CSPO, CSPKO
7. Collaborate with NGOs to build capacity through the deployment of dedicated resources within J&J to work with our internal and external stakeholders on policy driven and / or specific projects in the field
8. Deploy natural ingredients sourcing policy (including palm oil)
9. Deploy a J&J palm oil education video to inform J&J employee's of our efforts to procure CSPO, CSPKO by year-end 2015
10. Continue to support a number of specific projects that meet our objectives to either increase supply of CSPO, CSPKO, increase small-holder yields, and / or generally improve the usage of currently

damaged or degraded land

11. Support projects to increase global awareness around sustainable palm oil
12. Evaluate the opportunity to engage employees in sustainable palm oil specific field activity projects

4. Statement from the organisation's senior representative.

We have a long standing tradition of caring for our environment and seek supply partners who share our commitment. Specifically, we have communicated to our oleo-chemical suppliers our expectations to source 100% of our oleo-chemicals from sustainable sources by 2015. We have and will continue to purchase sustainable palm oil certificates and send the market a demand signal that we value and support the sustainable production of palm oil. We also remain committed to broad industry-wide collaboration to accelerate the available supply of sustainable palm oil to the marketplace.

Paulette Frank, VP Sustainability, Johnson & Johnson Group of Consumer Companies.

Guidance: Depending on the member organisation's profile or specific keywords provided by the organisation, it needs to consider and report how it will contribute to the RSPO mission. The objective translates into operational, time-bound deliverables on the longer term (3 to 5 years, with annual review) and the short term (one year, with annual updates). Justify any changes from last year. A sufficiently senior decision-maker confirms the commitments made.

B. Progress made in producing, procuring and/or utilizing sustainable palm oil

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Guidance: Provide a report or update in relation to:

- the time-bound plan,
- applicable requirements (citing relevant principles and criteria, Chain of Custody/Trade and Traceability rules, Communication and Claims rules, Code of Conduct where possible); and
- Efforts in engaging key stakeholders (interest groups, business relations, etc).

Information provided should be objective and verifiable, where possible quantified (volumes, hectareage, numbers of smallholders/labour/communities, etc).

During the previous 12 months we have:

1. Released Johnson & Johnson Healthy Future 2015 Goals including the goal to source all palm oil and its derivatives from certified Sustainable sources by year-end 2015
2. Maintained and enhanced engagement with senior management to raise the awareness of the palm oil issue faced by our industry and established dialogue to create a road-map for change
3. Communicated target to source oleo-chemicals that contain only CSPO, CSPKO by year-end 2015 to our suppliers
4. Purchased and redeemed palm oil and palm kernel oil certificates covering 100% of our estimated annual volumes for 2011
5. Established a sustainable palm oil fund to support field projects to increase small holder yields,

C. Challenges

1. Significant economic, social or environmental obstacles encountered in production, procurement and/or use of sustainable palm oil and efforts made to mitigate or resolve them.

There are a number of challenges that we face or anticipate in our pursuit to fully source oleo-chemicals that are derived from certified, sustainable palm oil:

1. The available volumes of CSPO, CSPKO and associated immaturity of the supply chain infrastructure to fully segregate palm oil and palm kernel oil
2. The lack of transparency of the exact composition of the oleo-chemicals that we source; which we endeavour to address through active participation in the Industry Coalition TWG and issuing of questionnaires to all Johnson & Johnson relevant oleo-chemical suppliers
3. The wider engagement of the oleo-chemical industry, and their upstream suppliers to support the growth of certified sustainable palm oil derivatives
4. Consistent access to CSPO, CSPKO at a fair premium; addressed short-term through the Green Palm certificate program and long term execution of strategies through coordinated Industry Coalitions and Forums
5. The credibility, integrity and transparency behind the certification scheme and Green Palm 'Book & Claim' mechanism. It is very important that the RSPO ensures that the highest standards and levels of transparency are maintained at any point in time and strictest criteria are enforced. These standards and criteria must be fully endorsed by the subject matter NGO's

2. Suggestions on how the RSPO can assist your organisation's sustainability performance.

1. Ensure the fullest integrity of certifications and the 'Book & Claim' mechanism
2. Accelerate the audit, approval and certification process of palm plantations; and medium to long term, the availability of sustainable palm oil to utilize the segregated supply chain intended for the sourcing & supply of palm oil to industry
3. Building on the Industry Coalition TWG, to facilitate a working group on supply chain segregation for Indirect palm oil, i.e. palm oil derivatives users (like ourselves) and oleo-chemicals producers
4. Ensure all forums & platforms for collaboration to increase sustainable palm oil are co-ordinated to avoid the duplication of efforts & initiatives

5. Suggestions on how your organisation can assist RSPO's overall progress.

1. We will be glad to participate in any such working groups on supply chain segregation including other indirect palm oil users in FMCG and oleo-chemical producers
2. We will continue to systematically address our supplier base to contribute sustainable solutions and to join the RSPO, if not already done so

Guidance: RSPO encourages openness about problems encountered as a way to provide a balanced and credible picture of performance and to invite solutions or views from other stakeholders.

RSPO

Roundtable on Sustainable Palm Oil

- improve land usage, and increase global awareness of sustainable palm oil. In 2011 / 2012 Johnson & Johnson will support a number of NGO led projects in the field
6. Deployed a dedicated procurement and technical resource to build sustainable palm oil capacity, (and its derivatives) with all Johnson & Johnson suppliers of materials containing palm oil or palm oil derivatives to focus all activities necessary for us to achieve our 2015 goal
 7. Initiated dialogue, through face to face meetings with Johnson & Johnson oleo-chemical suppliers to develop pilots to map the supply chain of the palm oil feedstock in the materials supplied to Johnson & Johnson in order to further develop the business case and define a road-map to migrate to CSPO, CSPKO by year-end 2015
 8. Maintained active participation in the Industry Coalition Technical Working Group (TWG) on Derivatives focused on supply chain segregation, continued our participation in Industry Coalition on Sustainable Palm Oil, and became members of The Consumer Goods Forum, Deforestation pillar (palm oil sub-committee)
 9. Developed an educational video on the topic of palm oil and our efforts to secure a more sustainable supply for our employee base