

**Particulars**

**About Your Organisation**

**Organisation Name**

Johnson & Johnson

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**Corporate Website Address**

www.jnj.com

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**Primary Activity or Product**

- Manufacturer
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**Related Company(ies)**

No

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**Membership**

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

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**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
  - Soap Tablets
  - Personal Care
- Own-brand

**Operations and Certification Progress**

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

Yes

2.2.1 Do you manufacture for:

Own Brand

2.2.2 Total volume of Refined Palm Oil or Refined, bleached, and deodorized (RBD) Oil Palm sold in the year:

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2.2.3 Total volume of refined Palm Kernel Oil sold in the year:

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

86686.00

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

86686.00

**2.3 Palm oil volume sold 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/Refined, bleached, and deodorized (RBD) oil palm (Tonnes)	Palm Kernel Oil (Tonnes)	Palm based derivatives or fractions (Tonnes)	Volume of Palm Kernel Expeller used / processed and/or traded in the year (Tonnes)
1	Book & Claim			52,881.00	
2	Mass Balance			225.00	
3	Segregated				
4	Identity Preserved				
5	Total volume of oil palm products that is RSPO-certified			53,106.00	

**2.4.1 What type of products do you use CSPO for?**

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

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

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

2015

**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 CERTIFIED SUSTAINABLE PALM OIL products in goods you manufacture on behalf of other companies?**

n

**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, Kenya, Korea, Republic of, Latvia, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Monaco, Morocco, Netherlands, New Zealand, Nicaragua, 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, 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**

We have a four-pronged Responsible Palm Oil Derivatives Sourcing Strategy: 1. Source RSPO certified supply: We will progressively transition to mass balance materials as they become available and feasible. In the interim, we will purchase Greenpalm certificates for palm oil derivatives from known entities aligned with our expectations and values, with a preference for purchasing from Independent Smallholders. 2. Implement our Responsible Palm Oil Sourcing criteria, including improving supply chain transparency and taking action where necessary. 3. Improve conditions on the ground by funding projects focused on increasing the amount of RSPO-certified material available, improving yields and sustainability practices at smallholder farms, and improving efforts to categorize and conserve areas of HCV and HCS. 4. Engage with external organizations like TFT, IDH, the RSPO and the Consumer Goods Forum to accelerate the availability of sustainable palm oil with a focus on complex derivatives supply chains. RSPO Milestones 2016: Commencement of supply from our first RSPO-certified soap chip supplier in Colombia - representing around 10% of our palm and palm kernel derivative use. We will continue to purchase Greenpalm certificates for our palm oil derivatives from known entities aligned with our expectations and values, with a preference for purchasing from Independent Smallholders where possible. We will purchase Greenpalm certificates for our palm kernel oil derivatives only from the Independent Smallholders we buy palm oil certificates from. We also expect our soap chip suppliers and top 10 oleo-chemical suppliers to have 2020 mass balance transition plans by year end. 2017-2020: Progressive implementation of 2020 Mass Balance Transition Plans.

**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**

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**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

URL: [www.jnj.com/sites/default/files/pdf/cs/2014-JNJ-Citizenship-Sustainability-Report.pdf#page=81](http://www.jnj.com/sites/default/files/pdf/cs/2014-JNJ-Citizenship-Sustainability-Report.pdf#page=81)**Actions for Next Reporting Period**

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

1. 2016 will see Johnson & Johnson take delivery of our first RSPO-certified soap noodles in Colombia from a new supplier with excellent capabilities and reputation. More suppliers will submit their plans on mass balance transition in oleo chemicals, with two of our most strategic suppliers moving significant portions of their business to certified material as part of their own global transition plans. 2. We will accelerate our work on implementing our Responsible Palm Oil Sourcing Criteria - pushing for transparency in our supply chains to give us a better understanding of where our materials originate from. We will turn our focus to soap chip supply chains and continue to support industry efforts on oleo chemical transparency. 3. Lastly we will continue to support smallholder projects on a wide variety of metrics, including working with Wageningen University to improve smallholder farming practices as well as projects to encourage RSPO certification and small farm yield improvements.

**Reasons for Non-Disclosure of Information****7.1 If you have not disclosed any of the above information, please indicate the reasons why**

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- 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  
Uploaded file: [M-Policies-to-PNC-waterland.pdf](#)
- Land Use Rights  
Uploaded file: [M-Policies-to-PNC-landuseright.pdf](#)
- Ethical conduct and human rights  
Uploaded file: [M-Policies-to-PNC-ethicalconducthr.pdf](#)
- Labour rights  
Uploaded file: [M-Policies-to-PNC-laborrights.pdf](#)
- Stakeholder engagement
- None of the above

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

Johnson & Johnson has a full division - Environment, 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**

Johnson & Johnson has a goal to source 100% of our derivatives from supply chains that meet our responsible palm oil sourcing criteria, which includes RSPO certification. We request suppliers of J&J become members of the RSPO and submit their own plans to obtain supply chain certification and to transition to mass balance oil and derivatives for use in manufacturing the derivatives they supply to us. We will continue to strongly support and commend RSPO efforts to enforce, strengthen and align the P&Cs with our industry's and consumer's expectations.

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

No

**Please explain why**

We began purchasing Greenpalm certificates covering 100% of our derivative usage in 2010. We continued to do so annually until 2014 when we decided the purchase of Greenpalm certificates was not in line with our values of transparency. We also believe it was limiting the availability of certified PKO in physical supply chains and slowing the transition towards mass balance derivatives. Since then, we have only purchased Greenpalm certificates from known entities and from Independent Smallholders. The limited availability of Greenpalm certificates for PKO from Independent Smallholders has constrained the amount of certificates we've been able to obtain so instead of purchasing from unknown entities, we have reallocated the funds to supporting mass balance derivative availability and NGO projects with smallholders to improve their farming practices.

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**Concession Map****10.1 Does your company or any subsidiary of your company own or manage oil palm plantations?**

No

**Please explain why**

We do not manage palm oil plantations.

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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. The differences in transition rates between palm oil, palm kernel oil and derivative supply chains: While great progress is being made by the RSPO, for companies like J&J who solely use derivatives, there is still a challenge in the availability, price and diversity of certified materials. J&J receives information from suppliers that shows poor availability of certified PKO and PKO derivatives for use in their manufacturing. Unlike in direct PO purchasing, there are many supply chain actors who must go through RSPO certifications to ensure reliable and affordable derivative supply. J&J has requested mass balance transition plans from our derivative suppliers to encourage them to make long term plans for certification and securing supply. 2. Unexpected effects of Greenpalm certificates on transition to physical CSPO. The transition from Greenpalm to mass balance for derivative supply chains has been much slower than expected. Greenpalm, especially for PKO, was shown to us to be limiting the availability and elevating the price of certified PKO and subsequently restricting the availability and limiting the affordability of certified derivatives. In order to speed this up, J&J has stopped purchasing Greenpalm certificates for PKO derivatives on the open market and instead have reallocated those funds toward uptake of mass balance material from derivative suppliers and supporting transitions in economically challenging markets. 3. Inconsistent expectations across stakeholder groups: Differences in opinions of what "success" looks like is creating challenges for collective action and creating change at scale. J&J remains committed to long-term RSPO support to help continually improve and strengthen the RSPO standard so it may meet the evolving needs of multiple stakeholders.

### 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)

1. We've written RSPO targets into business plans with our most strategic derivative suppliers and have been a strong proponent with all of our oleo chemical suppliers on the importance of RSPO membership (100% of our most strategic suppliers are members of the RSPO). We have also requested 2020 Mass balance transition plans by year-end 2016. 2. We've partnered with The Forest Trust to break new ground on mapping derivatives supply chains. We've hosted sessions with suppliers on the importance of high standards in palm and palm kernel production and how to best implement responsible sourcing in their supply chains. 3. We've deployed financial resources to improve conditions on the ground. We have supported projects with NGOs and smallholders that directly improve farming practices, increase yields and improve labor rights with the aim of meeting RSPO standards and our Responsible Sourcing Criteria. Where possible, we purchase our Greenpalm certificates directly from the Independent Smallholders our projects support. 4. We are members of and support the Consumer Goods Forum's efforts to align industry expectations and accelerate progress.

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

We have a detailed Responsible Palm Oil Derivatives Sourcing Strategy which includes four key levers of change: 1. We progressively source RSPO mass balance materials (with Greenpalm certificates from known sources, preferably Independent Smallholders, for palm oil derivatives on an interim basis) as they become available and feasible. 2. We partner with TFT to gain transparency into our Supply Chains, and to implement our Responsible Palm Oil Sourcing Criteria. Learn more here: <http://www.tft-transparency.org/member/johnson-johnson/> 3. We have established a Palm Oil Fund to support projects on the ground that improve and promote more sustainable practices with smallholders. We partner with NGOs and institutions such as Solidaridad, IDH and Wageningen University and have supported over 1500 farmers and 9 co-ops who farm over 100,000 hectares of land. 4. We engage with NGOs, RSPO, and the Consumer Goods Forum to accelerate change in sustainable derivatives.