

Particulars

About Your Organisation

1.1 Name of your organisation

Johnson & Johnson

1.2 What is/are the primary activity(ies) or product(s) of your organisation?

- Palm Oil Grower
- Processor and/or Trader
- Consumer Goods Manufacturer
- Retailer
- Bank and/or Investor
- Social and/or Development NGO
- Environmental and/or Conservation NGO
- Affiliate

1.3 Membership number

4-0030-06-000-00

1.4 Membership category

Consumer Goods Manufacturers

1.5 Membership sector

Ordinary

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
 Food Good Manufacturer - third-party brand
 Home & Personal Care Good Manufacturer - own brand
 Home & Personal Care Good Manufacturer - third-party brand
 Ingredient Manufacturers
 Biofuels
 Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil and palm oil products consumed, to enable the RSPO to accurately calculate uptake on a member, sector and total level. ACOP reports without reported volume data will be considered incomplete and will not be accepted.

2.1 Please list down all operations and subsidiaries using palm oil that are owned and/or managed by the member, including those under Group Membership

Johnson & Johnson is reporting all palm oil derived ingredients collectively, including derivatives and fractions, used across our 3 global business segments: Consumer Health, Pharmaceuticals, and Medical Devices.

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

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

2.2.5 Total volume of all palm oil and palm oil products (palm-content only) used in your company's own-brand products and in products produced by your company for third-party brands in the year:

Description	Tonnes
Total volume of crude/refined palm oil (tonnes)	0.0
Total volume of crude/refined palm kernel oil (tonnes)	0.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of palm oil/palm kernel oil derivatives and fractions (tonnes)	65249.01
Total	65249.01

2.2.6 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2.4) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	62.0
Palm kernel oil-based derivatives and fractions	38.0

2.3 Volume of RSPO-certified palm oil and palm oil products used in your company's own brand products and in products produced by your company for third-party brands in the year (tonnes):

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	0.0	0.0	0.0	56436.84
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	420.0
Mass Balance (MB)	0.0	0.0	0.0	2823.17
Segregated (SG)	0.0	0.0	0.0	5569.0
Identity Preserved (IP)	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	65249.01

2.3.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.3) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Certified Palm oil-based derivatives and fractions	62.0
Certified Palm kernel oil-based derivatives and fractions	38.0

2.4 According to the volume information you have provided in Question 2.2 and Question 2.3, your company's certified palm oil and palm oil products uptake is:

100.00%

2.4.1 If your company has not reached 100% usage of sustainable palm oil through the four supply chain models (RSPO Credits, MB, SG or IP), do you have any plans to cover the gap using RSPO Credits?

Yes

2.5 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question CG.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	28.0
North America	9.0
Malaysia	7.0
Indonesia	0.0
China	8.0
India	11.0
Latin America	19.0
Africa	1.0
Rest of World	17.0

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2030

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2010

3.2.1 If the previous target year for CG.3.2 has not been met, please explain why.

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3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2020

3.3.1 If the previous target year for CG.3.3 has not been met, please explain why.

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3.4 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2030

3.4.1 If the previous target year for CG.3.4 has not been met, please explain why.

Our ambition is to increase our Mass Balance volumes in the upcoming years, but as a derivatives buyer we are reliant on the availability of physically certified material in the market.

3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

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4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

1. In 2020 Johnson & Johnson will revisit its strategy, goals, and targets on responsible palm oil sourcing. 2. Johnson & Johnson continuously evaluates our Responsible Palm Oil Sourcing Criteria to ensure it is up to date and consistent with best industry practice. 3. We will continue to (i) strive for supply chain transparency among our key suppliers, (ii) monitor suppliers' palm oil responsible sourcing policies and practices for alignment to and conformance with our Responsible Palm Oil Sourcing Criteria, (iii) take actions in line with our non-conformance process when necessary, and (iv) invest in partnerships that advance No Deforestation, No Peat, No Exploitation (NDPE) across the palm oil landscape. 4. We will continue funding smallholder projects and drive on-the-ground transformation, which includes continuing our collaboration with the Earthworm Foundation and Sustainable Trade Initiative.

6. Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil (RSPO) approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

6.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

6.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

6.1.2 Has your company previously uploaded or linked its Labour & Labour Rights policy in previous ACOP reporting cycles?

Yes

Ethical Conduct & Human Rights

6.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

6.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

6.2.2 Has your company previously uploaded or linked its Ethical Conduct & Human Rights policy in previous ACOP reporting cycles?

Yes

Land Use

6.3 Does your company have a publicly-available Policy covering Land Use?

Yes

6.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

6.3.2 Has your company previously uploaded or linked its Land Use policy in previous ACOP reporting cycles?

Yes

Occupational Health & Safety**6.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?**

Yes

6.4.1 Has your company previously uploaded or linked its Occupational Health & Safety policy in previous ACOP reporting cycles?

Yes

Climate Change & Greenhouse Gas (GHG)**6.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**

Yes

6.5.1 Does the policy cover:

- Identification and assessment of GHG
- Public reporting of GHG footprint
- Monitored implementation plan to reduce or minimise GHG emissions

6.5.2 Has your company previously uploaded or linked its Climate Change & Greenhouse Gas policy or report in previous ACOP reporting cycles?

Yes

Complaints & Grievances**6.6 Does your company have a Complaints & Grievances Mechanism?**

Yes

6.6.1 Is your Complaints & Grievances mechanism in line with the RSPO's grievance mechanism? For details of the RSPO's grievance mechanism, please go to <https://askrspo.force.com/Complaint/s/>

Yes

Smallholders**6.7 Does your company support oil palm independent smallholder groups?**

Yes

6.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

6.7.2 How is your company supporting them?

1. Rurality program: Partnership with Earthworm foundation since 2017, working with the communities Sidomukti, Gambangan and Surya Indah in Riau province, Indonesia. Rurality's journey has resulted in a close collaboration with farmers, the mill, local governments and other partners. Main focus has been to develop and implement an oil palm replanting scheme and farm diversification activities with the objective to obtain more productive farms, solid business relations along the supply chain, greater household resilience and awareness to safeguard natural assets in and around community land. In 2020, Rurality will up-scale its successes to a landscape of one million hectares in Pelalawan & Indragiri Hulu districts (neighbouring the Tesso Nilo National Park and Kerumutan Natural Reserve) to protect forest and wildlife, while working with a greater number of mills and farmers (of J&J's supply chain) towards a sustainable production of palm oil. 2. Partnership with IDH - The Sustainable Trade Initiative since 2016, to enable and support over 1,000 farmers in Rokan Hulu, Indonesia, in achieving increased environmental and economic sustainability. Farmers are trained on agricultural best practices that combine productivity improvements and environmental sustainability and are aligned to the RSPO Principles & Criteria. 3. Beginning in 2014 we co-funded a project with the University of Wageningen with the objective of increasing yields in smallholder oil palm fields in Jambi and West-Kalimantan, Indonesia. Although the project was concluded in December 2019, we continue to track the progress against KPIs and use the data to evaluate the success of this intervention. 4. In 2020 we are evaluating a new project on the ground, in partnership with one of our key suppliers.

7. Challenges

7.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

1. Alternative certification schemes and various industry definitions on Sustainable Palm Oil exacerbates the challenges of creating scale, particularly in derivatives markets. 2. Transitioning to mass balance has proven difficult, especially in emerging economies, nevertheless, we continued to make progress in 2019 3. The challenges of PKO availability and pricing still present derivative manufacturers with a challenge to both ensure supply and remain competitive.

7.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

1. We've written RSPO targets into business plans with our most strategic derivative suppliers and have been a strong proponent with all our oleo chemical suppliers on the importance of RSPO membership (100% of our strategic palm derivatives suppliers are members of the RSPO). 2. We've partnered with the Earthworm Foundation to map derivative supply chains for our top suppliers (by volume) and assess their NDPE policy compliance and alignment with our own policy. 3. Throughout 2019 we continued investing financial resources to improve environmental and social conditions on the ground (Jambi, West-Kalimantan, Riau and Sumatra in Indonesia), including funding smallholder certification. We have supported projects with NGOs and smallholders that directly improve farming practices, increase yields and improve labor rights with the objective of meeting RSPO standards and our Responsible Sourcing Criteria. 4. We continue to publish our aggregated mill list as a concrete step towards increased supply chain transparency. 5. In 2020 we have partnered with ACT Commodities to purchase a subset of our RSPO credits through the CSPO model. By doing so we are directly supporting mills working to achieve sustainable production and maintaining social and environmental accountability, while creating better transparency and understanding on the impact of our investment.

7.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

We provide annual updates on our progress on JNJ.com, in the Johnson & Johnson Health for Humanity Report, and through our membership with the Earthworm Foundation. <https://www.jnj.com/sites/default/files/pdf/cs/jnj-responsible-palm-oil-sourcing-criteria.pdf> https://healthforhumanityreport.jnj.com/_document/johnson-johnson-2018-health-for-humanity-report?id=0000016a-c2a5-d717-ad7a-c6ff45a0000 <https://www.earthworm.org/members/johnson-johnson>