



DIVISION OF  
CORPORATION FINANCE

200 406 DC  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549



02016351

January 30, 2002

NO ACT  
P.E 1-18-02  
1-03215

Michael H. Ullmann  
Secretary  
Johnson & Johnson  
One Johnson & Johnson Plaza  
New Brunswick, NJ 08933-0026

Act 1934  
Section \_\_\_\_\_  
Rule 14A-8  
Public Availability 1/30/2002

Re: Johnson & Johnson

Dear Mr. Ullmann:

This is in regard to your letter dated January 18, 2002 concerning the shareholder proposal submitted by Harrington Investments for inclusion in Johnson & Johnson's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the proponent has withdrawn the proposal, and that Johnson & Johnson therefore withdraws its December 21, 2001 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Sincerely,

Jennifer Gurzenski  
Attorney-Advisor

PROCESSED

P FEB 25 2002  
THOMSON  
FINANCIAL

cc: John Harrington  
President  
Harrington Investments, Inc.  
1001 2<sup>nd</sup> Street  
Suite 325  
Napa, CA 94559

**JOHNSON & JOHNSON  
ONE JOHNSON & JOHNSON PLAZA  
NEW BRUNSWICK, N.J. 08933-0026  
TELEPHONE (732) 524-2455**

**December 21, 2001**

**Office of the Chief Counsel  
Division of Corporate Finance  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549**

**Re: Johnson & Johnson Shareowner Proposal on "CERES Principles"  
(Securities Exchange Act of 1934 – Rule 14a-8)**

Dear Ladies and Gentlemen:

This letter is to inform you that it is the intention of Johnson & Johnson, a New Jersey corporation ("J&J" or the "Company"), to exclude from its proxy statement and form of proxy for J&J's 2002 Annual Meeting of Shareowners (collectively, the "2002 Proxy Materials") a shareowner proposal (the "Proposal") and statement in support thereof (the "Supporting Statement") received from John Harrington of Harrington Investments, Inc. (the "Proponent"). The Proposal seeks to have the Company *endorse the CERES Principles as a reasonable and beneficial component of their corporate commitment to be publicly accountable for environmental performance.*

The Proponent's letter, dated November 9, 2001, setting forth the Proposal and the Supporting Statement is attached hereto as Attachment A.

J&J hereby respectfully requests that the staff of the Division of Corporation Finance (the "Staff") concur in our opinion that the Proposal and the Supporting Statement may be properly excluded from J&J's 2002 Proxy Materials for the reasons and on the basis set forth below.

Pursuant to Rule 14a-8(j), enclosed herewith are six (6) copies of this letter and its attachments. Also in accordance with Rule 14a-8(j), a copy of this letter and its attachments is being mailed on this date to the Proponent, informing him of the Company's intention to exclude the Proposal and the Supporting Statement from the 2002 Proxy Materials. We intend to file our definitive 2002 Proxy Materials with the Commission on or about March 11, 2002. Accordingly, pursuant to Rule 14a-8(j), this

letter is being submitted not less than 80 days before J&J intends to file its definitive proxy statement and form of proxy with the Securities and Exchange Commission.

## THE PROPOSAL

The Proposal calls on the Company to endorse the CERES Principles, which “establish an environmental ethic with criteria by which investors and others can assess the environmental performance of companies.” (www.ceres.org). (The CERES Principles, as set forth on the CERES website, are included in Section D of the Legal Analysis discussion below.) The Supporting Statement addresses the “integration of environmental commitment into business operations...and the quality with which [the Company] manages its environmental performance.” Another fundamental element of the Proposal, as explained in Proponent’s letter, is environmental disclosure. As the discussion herein will show, all of these elements of the Proposal have been substantially implemented by the Company.

## LEGAL ANALYSIS

**We believe that the Proposal and the Supporting Statement may properly be excluded in their entirety from the 2002 Proxy Materials pursuant to Rule 14a-8(i)(10), because the Proposal has been substantially implemented. As discussed below, J&J already has in place substantial policies and procedures that address the issues and concerns of the Proposal, and has already undertaken and issued a report that constitutes the type of review and report that the Proposal seeks to implement.**

The Proposal and the Supporting Statement may properly be excluded pursuant to Rule 14a-8(i)(10), which permits the exclusion of a stockholder proposal when a company has already substantially implemented the elements of the Proposal. Release No. 34-40018 (May 21, 1998) (the “1998 Release”) notes that this rule merely reflects the interpretation adopted in Exchange Act Release No. 20091 (Aug. 16, 1983) under former Rule 14a-8(c)(10). Pursuant to the 1983 interpretation, the Staff has stated that a determination that the Company has substantially implemented a proposal depends upon whether its particular policies, practices and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (available Mar. 28, 1991).

J&J has already adopted policies and practices (including the Johnson & Johnson Worldwide Environmental Policy (“WEP”) annexed hereto as Attachment B) and published a report entitled “Healthy People, Healthy Planet: 2000 Environmental, Health and Safety Sustainability Report” (the “Sustainability Report”), annexed hereto as Attachment C, that demonstrate its “environmental commitment and the quality with which it manages its environmental performance,” as contemplated by the Supporting Statement. The Company therefore has already done, and continues to do, what the Proposal asks, thereby rendering the Proposal moot.

When a company can demonstrate that it has already adopted policies or taken actions to address each element of a stockholder proposal, the Staff has concurred that the proposal has been "substantially implemented" and may be excluded as moot. *See, e.g., Nordstrom Inc.* (available Feb. 8, 1995) (proposal that company commit to code of conduct for its overseas suppliers that was substantially covered by existing company guidelines was excludable as moot). To the same effect, *see also The Gap, Inc.* (available Mar. 8, 1996). As discussed below, J&J's environmental policies and practices compare favorably with--and in some areas even go beyond--the substance of the CERES Principles, demonstrating that J&J has substantially implemented the Proposal, rendering it moot.

This letter and Attachments B and C demonstrate that J&J has substantially implemented the CERES Principles, however, the Company points out that the Staff does not require a company to have implemented a proposal in each of its precise details in order to be able to omit the proposal under Rule 14a-8(i)(10). *General Motors Corporation* (avail. March 4, 1996). The *General Motors* letter supports the principle that, regardless of the explicit detail of a proposal, a company is able to omit a proposal under Rule 14a-8(i)(10) if it has substantially implemented the "essential objectives" of the Proposal. J&J believes that it has more than met this standard in connection with the Proposal.

**A. The Company's "Healthy People, Healthy Planet: 2000 Environmental, Health and Safety Sustainability Report" is a summary report of a review of the Company's international operations.**

The Sustainability Report demonstrates the substantial implementation of the Proposal by showing the environmental commitment, the quality of management of environmental performance and the disclosure of environmental performance which the Proposal and the Supporting Statement seek to implement.

The Sustainability Report was prepared in accordance with the Sustainability Reporting Guidelines, dated June 2000, developed under the Global Reporting Initiative (the "GRI") (see inside cover of Sustainability Report). The GRI was established in late 1997, and is a global, multi-stakeholder effort to create a common framework for voluntary corporate reporting of the (1) environmental, (2) economic and (3) social performance.

The Proposal calls on the Company "to disclose information" about environmental "performance to the[ir] investors and other stakeholders" using the GRI Guidelines. In fact, the first three paragraphs of the Proposal advocate the adoption of the GRI Guidelines by the Company. In Proponent's letter, the Proponent wrote: "I am submitting a shareholder proposal asking the board of directors to endorse the CERES Principles and to *adopt the CERES disclosure format.*" (emphasis added) **The Sustainability Report demonstrates that J&J has adopted and actually discloses**

**environmental performance information through use of the GRI Guidelines, thereby demonstrating implementation of the Proposal in that respect.**

In the section on "Environmental Performance," the Sustainability Report examines the Company's policies and performance in the areas of reducing energy usage, reducing packaging materials usage, reducing water usage, reducing emissions, effluents and waste, increasing solid waste recycling, protecting biodiversity, implementing a product development model that fully integrates environmental considerations into product conceptualization and design, and complying with environmental regulations. Through the use of numerous easy-to-read charts and graphs, the Sustainability Report clearly illustrates the Company's performance for the reader. The Sustainability Report further details how J&J has made awareness, reporting and innovation in the area of environmental performance goals for its management and workers alike. The comprehensive and detailed nature of the Sustainability Report further indicate that the Company has already substantially implemented the Proposal.

**B. The Company has adopted and implemented a policy on environmental policy which also demonstrates substantial implementation of the CERES Principles.**

The Company has adopted a Worldwide Environmental Policy (the "WEP"), which sets forth the basic principles and commitments of J&J in environmental affairs. A copy of the WEP is attached as Attachment B. The guidelines and values contained in the WEP, which are supported by comprehensive internal procedures, practices and policies, also demonstrate that the Company has substantially implemented the Proposal and Supporting Statement.

The WEP demonstrates J&J's commitment to, as it states, "operating beyond compliance with all applicable laws and regulations by uniformly meeting Johnson & Johnson global environmental policies and standards, ISO 14001 environmental management system standards, and other voluntary principles."

The Company, through the WEP, has displayed its commitment to adhering to and abiding by principles which are substantially similar to much of the CERES Principles.

**C. The Company has also adopted and implemented numerous and comprehensive policies, practices and procedures which further demonstrate substantial implementation of the CERES Principles.**

In addition to the policies, practices, and disclosures shown in the Sustainability Report and the WEP, J&J has established comprehensive standards of environmental practices for its operating companies and facilities. For example, the Worldwide Environmental Practices were recently updated to address external manufacturers and supplier relationships.

## **D. Comparison of CERES Principles and the environmental policies implemented by J&J.**

Following is a brief summary which highlights the CERES Principles and how the Company has substantially implemented these principles in its own policies, practices and reports, as shown in the Attachments:

1. ***Protection of the Biosphere:*** *We will reduce and make continual progress toward eliminating the release of any substance that may cause environmental damage to the air, water, or the earth or its inhabitants. We will safeguard all habitats affected by our operations and will protect open spaces and wilderness, while preserving biodiversity.*

Reference is made to the Johnson & Johnson Credo (the "Credo"), a copy of which is on the back page of the Sustainability Report, which states, "We must maintain in good order the property we are privileged to use, protecting the environment and natural resources." In addition, the intent of this Principle is reflected in many of the provisions in the WEP (see Policy Statement, "Integrating Environmental Goals" and "Utilizing Innovative Technologies"), and throughout the Sustainability Report.

2. ***Sustainable Use of Natural Resources:*** *We will make sustainable use of renewable natural resources, such as water, soils and forests. We will conserve non-renewable natural resources through efficient use and careful planning.*

This Principle has been implemented through the WEP, and reference is also made to pages 10-12 and page 14 of the Sustainability Report.

3. ***Reduction and Disposal of Wastes:*** *We will reduce and where possible eliminate waste through source reduction and recycling. All waste will be handled and disposed of through safe and responsible methods.*

This Principle has been implemented through the WEP ("Striving for Zero Waste"), and reference is also made to pages 11-12 and page 14 of the Sustainability Report.

4. ***Energy Conservation:*** *We will conserve energy and improve the energy efficiency of our internal operations and of the goods and services we sell. We will make every effort to use environmentally safe and sustainable energy sources.*

This Principle has been implemented through the WEP, and reference is also made to pages 10 and 14 of the Sustainability Report.

5. ***Risk Reduction:*** *We will strive to minimize the environmental, health and safety risks to our employees and the communities in which we operate through safe technologies, facilities and operating procedures, and by being prepared for emergencies.*

This Principle has been implemented through the WEP and the Credo language cited above, as well as through J&J standards of practice.

6. **Safe Products and Services:** *We will reduce and where possible eliminate the use, manufacture or sale of products and services that cause environmental damage or health or safety hazards. We will inform our customers of the environmental impacts of our products or services and try to correct unsafe use.*

This Principle has been implemented through the WEP. In addition, on page 12 of the Sustainability Report, the Company describes Design for Environment, a product development model to integrate environmental consideration into product design.

7. **Environmental Restoration:** *We will promptly and responsibly correct conditions we have caused that endanger health, safety or the environment. To the extent feasible, we will redress injuries we have caused to persons or damage we have caused to the environment and will restore the environment.*

This Principle has been implemented through the WEP, and reference is also made to pages 12 through 13 of the Sustainability Report. The Credo language referenced above also implements this Principle.

8. **Informing the Public:** *We will inform in a timely manner everyone who may be affected by conditions caused by our company that might endanger health, safety or the environment. We will regularly seek advice and counsel through dialogue with persons in communities near our facilities. We will not take any action against employees for reporting dangerous incidents or conditions to management or to appropriate authorities.*

This Principle has been implemented through the WEP and reference is also made to page 9 of the Sustainability Report ("Stakeholder Relationships"). Also, Company policies protect "whistleblowers".

9. **Management Commitment:** *We will implement these Principles and sustain a process that ensures that the Board of Directors and Chief Executive Officer are fully informed about pertinent environmental issues and are fully responsible for environmental policy. In selecting our Board of Directors, we will consider demonstrated environmental commitment as a factor.*

Johnson & Johnson's Policy on Business Conduct requires all senior managers of the Company's operating companies to certify annually that their operating companies comply with all applicable environmental laws and regulations. The Sustainability Report demonstrates the involvement of the Chief Executive Officer and other members of senior management in environmental affairs. The entire Board of Directors receives updates, at least annually, on the Company's compliance with environmental policies, rules and regulations. The Directors on the Board's Public Policy Advisory Committee receive frequent reports on environmental compliance.

10. **Audits and Reports:** *We will conduct an annual self-evaluation of our progress in implementing these Principles. We will support the timely creation*

*of generally accepted environmental audit procedures. We will annually complete the CERES Report, which will be made available to the public.*

The Sustainability Report itself evidences our implementation of this Principle. The Company conducts self-evaluations and reports these results.

Notwithstanding the foregoing, the Company expressly reserves the right to supplement this letter, including the above summary, by providing further evidence, if deemed necessary or advisable, to demonstrate that J&J has substantially implemented the CERES Principles.

\*\*\*\*\*

A determination that a company has substantially implemented a proposal depends upon whether its particular policies, practices and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (available Mar. 28, 1991) The Company believes that the above summary and the Attachments show that its “particular policies, practices and procedures compare favorably with” the CERES Principles. Moreover, notwithstanding certain explicit details of the Proposal, the Company has substantially implemented the "essential objectives" of the Proposal. *General Motors Corporation* (avail. March 4, 1996). Accordingly, the Proposal has been "substantially implemented" and thus may be properly excluded from the Company's 2002 Proxy Materials pursuant to Rule 14a-8(i)(10).

*Texaco, Inc.* specifically addressed substantial implementation with the Valdez environmental principles (the forerunner of the CERES Principles). In the *Texaco* letter, the Staff said “the proposal presents the question of whether the Company should subscribe to guidelines which suggest operational and managerial programs be implemented and that provision be made [for] periodic disclosure as well as compliance review.” (SEC letter dated March 6, 1991). We believe that the Sustainability Report, and the other policies and practices discussed herein, clearly show that Johnson & Johnson has met this burden—operational and managerial programs have been implemented and periodic disclosure and compliance review currently take place.

Finally, the Proposal asks the Company to demonstrate its “corporate commitment to be publicly accountable for environmental performance.” In short, the Sustainability Report evidences that J&J has done so. For these reasons we believe that the Proposal has therefore been substantially implemented and may be excluded pursuant to Rule 14a-8(i)(10).

Notwithstanding the foregoing, the Company reserves the right to exclude the Proponent's proposal under other provisions of Rule 14a-8(i), and supplement this letter accordingly, if the Staff is unable to confirm that the Proponent does not meet the eligibility requirements to submit a proposal under Rules 14a-8(i)(10).

## CONCLUSION

For the foregoing reasons, we respectfully request that the Staff concur in our opinion that the Proposal and Supporting Statement may be properly excluded from J&J's 2002 Proxy Materials.

If you have any questions relating to this request or if you require any additional information, please feel free to give me a call at Johnson & Johnson at (732) 524-2464. In the event that the Staff disagrees with the conclusions expressed herein, or requires any information in support or explanation of the Company's position, we would appreciate an opportunity to confer with the Staff before issuance of its response.

We request that you acknowledge receipt of this letter and the enclosures by stamping and returning the enclosed additional copy of the cover page of this letter using the enclosed self-addressed stamped envelope.

Thank you for your prompt attention to this matter.

Very truly yours,



Michael H. Ullmann  
Corporate Secretary &  
Assistant General Counsel

cc:

John Harrington  
Harrington Investments, Inc.

Amy L. Goodman, Esq.  
Gibson, Dunn & Crutcher LLP



November 9, 2001

Ralph S. Larsen  
Chairman & CEO  
Johnson & Johnson  
One Johnson & Johnson Plaza  
New Brunswick, NJ 08933

Dear Mr. Larsen:

Harrington Investments, Inc., is a registered investment advisor managing assets for individuals and institutions concerned with a social as well as financial return. You may recall my letter of October 10, 2001 in which I expressed my interest in our firm's environmental performance and its relationship to long-term shareholder value. As shareholders, my clients and I hold the conviction that strong environmental performance is evidence of a well-managed company and is a real contributor to superior financial returns. To date I have not received your reply.

Therefore, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Act of 1934, I am submitting a shareholder proposal asking the board of directors to endorse the CERES Principles and to adopt the CERES disclosure format. I am the beneficial owner of 200 shares of Johnson & Johnson and the shares were purchased over a year ago and have continuously been held since then. I will continue to hold the shares through the date of the next annual stockholders meeting. Verification of ownership is enclosed.

It is my hope that we will enter into a dialogue about this matter directly with the company's senior officers to possibly reach some sort of an agreement so that the proposal's inclusion in our company's proxy materials for the 2002 annual meeting of shareholders could be avoided. Again, I want to stress that I am approaching the company not as a criticism of the company's performance, but out of the belief that standardized environmental disclosure is the wave of the future and that delivering better information to investors and other stakeholders is in everyone's best interest. I look forward to hearing from and to working with you.

Sincerely,

John Harrington  
President

Cc: Dan Bakal, Director of Outreach, CERES  
Ariane Van Buren, Director of Energy & Environmental Programs, ICCR



## **ENDORSEMENT OF THE CERES PRINCIPLES FOR PUBLIC ENVIRONMENTAL ACCOUNTABILITY**

### **WHEREAS:**

Leaders of industry in the United States now acknowledge their obligation to pursue superior environmental performance and to disclose information about that performance to their investors and other stakeholders.

The integrity, utility, and comparability of environmental disclosure depend on using a common format, credible metrics, and a set of generally accepted standards. This will enable investors to assess environmental progress within and across industries.

The Coalition for Environmentally Responsible Economies (CERES) - a ten-year partnership between large investors, environmental groups, and corporations - has established what we believe is the most thorough and well-respected environmental disclosure form in the United States. CERES has also taken the lead internationally, convening major organizations together with the United Nations Environment Programme in the Global Reporting Initiative (GRI). The GRI Guidelines for standardizing environmental disclosure worldwide are already pilot-tested by 20 companies.

Companies which endorse the CERES Principles engage with stakeholders in transparent environmental management and agree to a single set of consistent standard for environmental reporting. That standard is set by the endorsing companies together with CERES.

The CERES Principles and CERES Report have been adopted by leading firms in various industries: American Airlines, Arizona Public Service, Bank America, BankBoston, Baxter International, Bethlehem Steel, Coca-Cola, Ford, General Motors, Interface, ITT Industries, Nike, Northeast Utilities, Pennsylvania Power and Light, Polaroid, and Sun Company.

We believe endorsing the CERES Principles commits a company to the prudent oversight of its financial and physical resources through: 1) protection of the biosphere; 2) sustainable use of natural resources; 3) waste reduction; 4) energy conservation; 5) risk reduction; 6) safe products/services; 7) environmental restoration; 8) informing the public; 9) management commitment; 10) audits and reports. (The full text of the CERES Principles and accompanying CERES Report form are obtainable from CERES, 11 Arlington Street, Boston Massachusetts 02116, (617) 247-0700 / [www.ceres.org](http://www.ceres.org)).

### **RESOLVED:**

Shareholders request that the company endorse the CERES Principles as a reasonable and beneficial component of their corporate commitment to be publicly accountable for environmental performance.

### **SUPPORTING STATEMENT**

Recent studies show that the integration of environmental commitment into business operations provides competitive advantage and improves long-term financial performance for companies. In addition, the depth of a firm's environmental commitment and the quality with which it manages its environmental performance are indicators of prudent foresight exercised by management.

Given investors' needs for credible information about a firm's environmental performance, and given the number of companies that have already endorsed the CERES Principles and adopted its report format, it is a reasonable, widely accepted step for a company to endorse those Principles if it wishes to demonstrate its seriousness about superior environmental performance.

Your vote FOR this resolution serves the best interests of our Company and its shareholders.



## **WORLDWIDE ENVIRONMENTAL POLICY**

### ***OUR CREDO COMMITMENT***

**We are responsible to the communities in which we live and work and to the world community as well.... We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.**

### ***POLICY STATEMENT***

**Johnson & Johnson is committed to environmental leadership, instilling the highest environmental values in all employees, utilizing the best environmental practices in all we do, and focusing on sustainable growth.**

**Johnson & Johnson is committed to:**

- **OPERATING BEYOND COMPLIANCE** with all applicable laws and regulations by uniformly meeting Johnson & Johnson global environmental policies and standards, ISO 14001 environmental management system standards, and other voluntary principles to which we subscribe.
- **MAINTAINING A STRUCTURE** at the corporate and operating companies that assures proper oversight, using environmental accountability as a measure for management performance.
- **INTEGRATING ENVIRONMENTAL GOALS** into our business strategies and plans while publicly reporting on our progress.
- **STRIVING FOR ZERO WASTE**, 100% resource efficiency, and enhancement of the environment.
- **UTILIZING INNOVATIVE TECHNOLOGIES** and leveraging best practices globally for the greatest environmental gain and continuous improvement.
- **FOSTERING AN ENVIRONMENTAL ETHIC** among our management, employees, stockholders, customers, suppliers and communities worldwide.
- **BUILDING RELATIONSHIPS** with regulatory agencies, interest groups, thought leaders, and communities to engender collaboration, cooperation, and mutual understanding.
- **ENHANCING CORPORATE SOCIAL RESPONSIBILITY** by supporting environmental health and education, conservation and community-based programs worldwide.

*Johnson & Johnson*

**We would  
like to know  
what you  
think of our**

**Environmental, Health and Safety**

**Sustainability  
Report**

*Mail the attached card in  
the back of the report ➡*

Johnson & Johnson

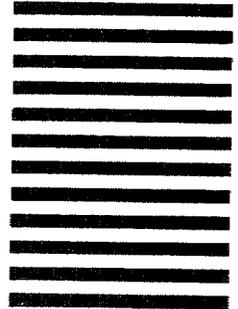


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**WORLDWIDE ENVIRONMENTAL AFFAIRS**  
**1 JOHNSON & JOHNSON PLZ**  
**NEW BRUNSWICK NJ 08901-9988**



We would like to know  
what you think of our

**Environmental, Health and Safety**



*Johnson & Johnson*

**Sustainability Report**

Please Check Appropriate Box

1. Did you find the report:

- Very interesting
- Interesting
- Not Interesting

2. Is the balance of information about right?  Yes  No

3. Would you like to see:

	MORE	LESS	ABOUT THE SAME
Quantitative information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Examples of actions taken or planned	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on specific J&J facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on our policies and principles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Would you be interested in receiving future reports?  Yes  No

5. Would you like to see more information made available on the Internet?  Yes  No

6. Do you have any additional comments or questions?

NAME

COMPANY

ADDRESS

CITY, STATE OR PROVINCE, COUNTRY

ZIP CODE

*Healthy People*



*Healthy Planet*

**Environmental, Health and Safety**

Sustainability Report

*Johnson & Johnson*

This report has been prepared in accordance with the Sustainability Reporting Guidelines, dated June 2000, developed under the Global Reporting Initiative (GRI). The GRI was established in late 1997 with the mission of developing voluntary, globally applicable guidelines for corporate reporting on environmental, economic and social performance. Convened by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP), the GRI incorporates the active participation of corporations, non-governmental organizations, accountancy organizations, business associations and other stakeholders from around the world.

For additional information on Johnson & Johnson programs and performance, use the reply card enclosed in this report or contact:

Karl F. Schmidt  
Vice President, Worldwide Environmental Affairs  
Johnson & Johnson  
One Johnson & Johnson Plaza  
New Brunswick, NJ 08933

e-mail: [kschmid@corus.jnj.com](mailto:kschmid@corus.jnj.com)  
Web site: [www.jnj.com](http://www.jnj.com)

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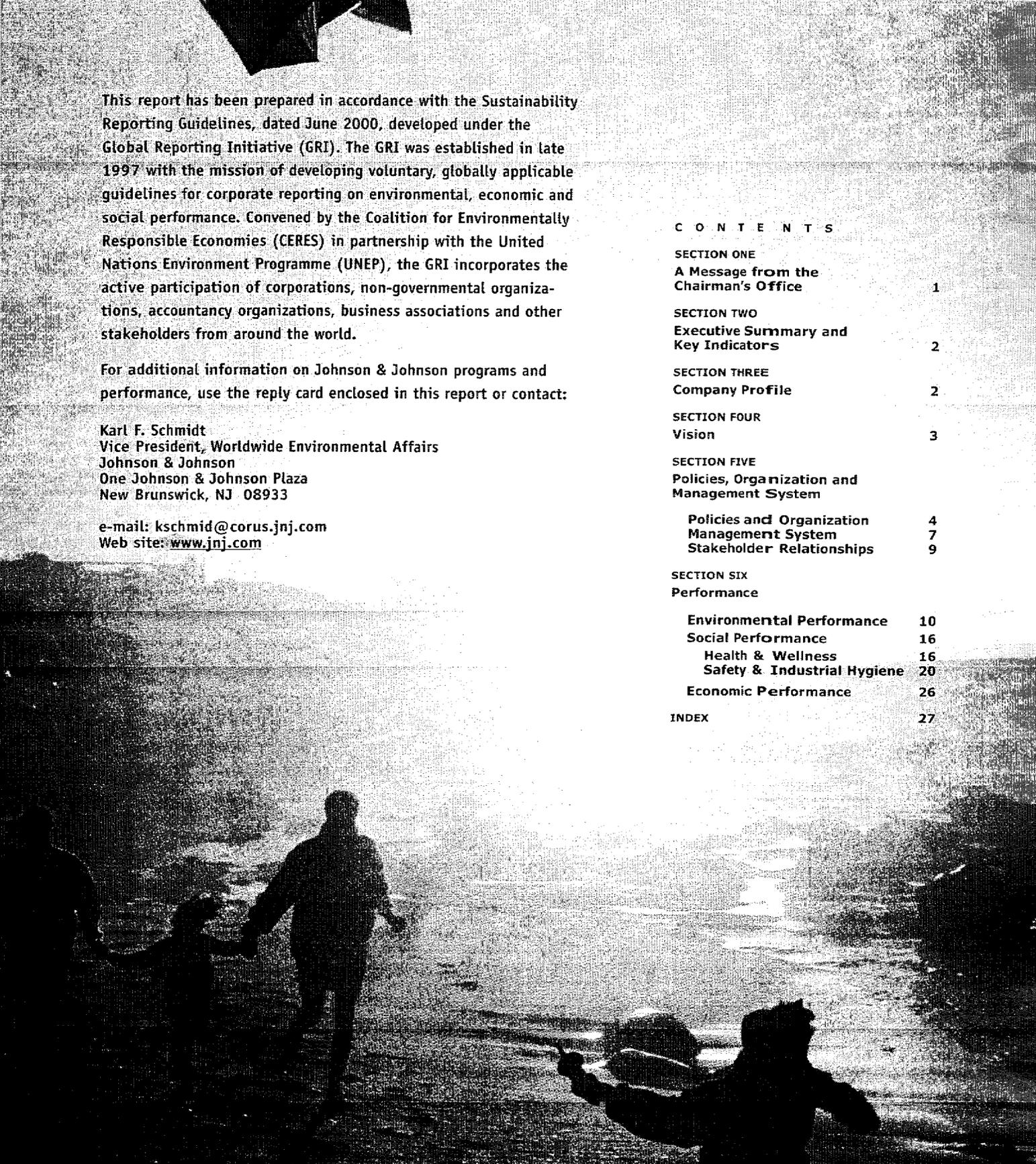
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Johnson & Johnson

## Healthy people, healthy planet



Ralph S. Larsen



Robert N. Wilson

Responsibility to our customers, our employees, our communities and our shareowners... this is the pledge embodied in Our Credo. It is a pledge that Johnson & Johnson is proud to uphold and maintain. Our efforts to conserve resources, promote employees' safety and health, and enhance the quality of life in our communities all flow directly from our Credo commitment.

Our Credo outlines fundamental principles that apply not only to our corporation as a whole, but to our individual decisions and actions as Johnson & Johnson employees. It is the collective power of our employees, in turn, that allows us to innovate, improve our processes, care for each other and the planet, ensure the health and safety of our employees, and reach out to our neighbors in positive ways. The Johnson & Johnson Credo articulates a sustainable vision in which our work today helps future generations enjoy economic growth, social progress and a healthy environment.

For us to continue pursuing this model of sustainable growth, we must maintain and improve our corporation's competitiveness in the marketplace. We have established four strategic imperatives to achieve this:

**Innovation** encouraging people to question the way we do things and aggressively seek new methods, products and processes

**Process Excellence** employing Six Sigma tools to improve quality in all of our business functions and incorporate a team approach to data collection, analysis and problem solving

**The Internet** connecting with customers and within the organization to improve efficiency and quality

**Flawless Execution** demanding high performance from each business unit and, by extension, each individual

These imperatives guide all of our business activities and are illustrated throughout this report. Maintaining our focus on the four strategic imperatives drives progress toward our environmental, health, safety and sustainable development goals.

Johnson & Johnson is recognized as a world leader in environmental, health and safety programs and performance. Our challenges are to strive for greater improvement; strengthen and develop new partnerships with suppliers, neighbors and other stakeholders; and continue to work toward our ultimate goal – "Healthy people, healthy planet."

Ralph S. Larsen  
Chairman of the Board  
and Chief Executive Officer

Robert N. Wilson  
Senior Vice Chairman of the Board  
Chairman, Worldwide Environmental Steering Committee

## Executive Summary and Key Indicators

## Energy Usage ▼

Goal: 10% cumulative reduction 1991-1996, revised to 25% cumulative reduction 1991-2000

Actual: 23.1% cumulative reduction 1991-2000 (765 million pounds cumulative avoidance of CO<sub>2</sub> 1991-2000)

## Packaging Usage ▼

Goal: 10% cumulative avoidance 1992-1996, revised to 25% cumulative avoidance 1992-2000

Actual: 27% cumulative avoidance 1992-2000

## Office Paper Usage ▼

Goal: 50% reduction 1991-1996

Actual: 64% reduction 1991-2000

## Water Usage ▼

79% reduction 1993-2000

## Toxic Chemical Releases ▼

Goal: 90% reduction 1987-1995

Actual: 95% reduction 1991-2000

## Hazardous Waste Generation ●

Goal: 10% reduction 1991-2000

Actual: 19% reduction 1991-2000

## Solid Waste Disposal ▼

Goal: 50% reduction 1991-2000

Actual: 77% reduction 1991-2000

## Recycling ▲

83% increase 1991-2000

## Wastewater Disposal ▼

88% reduction 1993-2000

## Accidental Releases &amp; Non-Compliance Events ▲

74% reduction 1995-2000

## Lost Workday Case Rate ▼

57% reduction 1991-2000

0.12 lost workday cases per 100 employees in 2000

## Severity Rate ▼

67% reduction 1991-2000

2.75 lost workdays per 100 employees in 2000

## Serious Injury/Illness Rates ▼

43% reduction 1991-2000

0.04 serious injury/illness per 100 employees in 2000

## Fleet Rates ▼

28% reduction 1992-2000

6.85 accidents per million miles driven in 2000

## Fires ▼

75% reduction 1991-2000

40 fires in 2000

Note: Environmental goals are indexed to net trade sales with the exception of energy and packaging.

▼ Reduction from 1999 ▲ Increase from 1999 ● No change

## Company Profile

## Background

Johnson & Johnson has 98,500 employees and is the world's most comprehensive and broadly based manufacturer of health care products for the consumer, pharmaceutical and professional markets. We have 194 operating companies in 51 countries around the world, selling products in more than 175 countries. Our net sales were \$29.1 billion in 2000, 42 percent of which represents non-domestic sales. The Company's stock is publicly traded on the New York Stock Exchange (ticker symbol JNJ).

Johnson & Johnson is broadly organized into three business segments:

Pharmaceutical	Professional	Consumer
41% OF NET SALES IN 2000	35% OF NET SALES IN 2000	24% OF NET SALES IN 2000
Develops medicines in areas that include gastroenterology, oncology, immunotherapy, cardiovascular disease, mental illness and diseases of the nervous system and dermatology, as well as family planning products.	Manufactures and markets products used by medical professionals for surgery, patient care, wound closure, diagnosis, blood testing and related medical purposes. Some examples of these products include surgical instruments, needles and sutures; orthopaedic products for joint repair and replacement; blood glucose monitoring systems and disposable contact lenses.	Includes a variety of products for skin and hair care, sanitary protection, wound care, oral care, baby care and nonprescription drugs. Some of the company's familiar brand names are NEUTROGENA, O.B., STAYFREE, BAND-AID, CLEAN & CLEAR, REACH, JOHNSON'S, TYLENOL, MOTRIN, IMODIUM A-D and MYLANTA.

## Report Coverage

This environmental, health and safety report updates the information in the 1999 Johnson & Johnson report. The data reported here cover all worldwide manufacturing and research operations unless otherwise noted.

Johnson & Johnson is a dynamic organization. Over the past 10 years, we have acquired 42 businesses and divested 21 businesses or product lines. During 2000, we completed the integration of Centocor, a major acquisition that began in 1999. No major acquisitions or divestitures were made in 2000. Our performance data for each year, as presented in this report, represent a "snapshot" of the corporation in that year.

## Other Available Corporate Reports

This report focuses on management and performance with respect to environmental, health and safety programs. For more information on our financial performance, please refer to our Annual Report. Details on our corporate philanthropy and social responsibility efforts are available in our Worldwide Contributions Program Annual Report.

For copies of these reports or for more information on Johnson & Johnson, visit [www.jnj.com](http://www.jnj.com).

## “Healthy people, healthy planet”

*This vision continues to be a simple and compelling statement of our commitment to Johnson & Johnson employees and to the world. Healthy people, healthy planet is a theme that springs from the Johnson & Johnson Credo — our framework for ethical business conduct.*

Johnson & Johnson’s commitment to sustainable growth is grounded in our products and services, which are designed to prevent and treat illness and improve the quality of life. To strengthen and expand our ability to meet customer needs, we must maintain the fiscal health of the corporation and be outstanding stewards of our human and natural resources, our corporate reputation and our shareowners’ trust. Our strategy for achieving sustainable growth is grounded in four imperatives: *innovation, process excellence, the Internet and flawless execution.* We recognize that the increasingly global private sector has more power than ever before. With this power comes more responsibility, and we take that responsibility quite seriously at Johnson & Johnson.

Our vision for sustainable growth emphasizes leadership and excellence in all that we do. We strive for an injury-free workplace. We are expanding our initiatives to promote the health and well-being of our employees. We will continually reduce the environmental footprint of our corporation. We believe that setting high standards in these areas — and meeting them — is our responsibility and is good business.



*On September 28, 2000, Ralph S. Larsen, Chairman and Chief Executive Officer of Johnson & Johnson, planted an Irish Oak Tree at the DePuy Ireland facility in Ringaskiddy to commemorate DePuy’s commitment to conserving the local environment for future generations.*

### Sustainable Growth

#### INNOVATION

encouraging people to question the way we do things and aggressively seek new methods, products and processes

#### PROCESS EXCELLENCE

employing Six Sigma tools to improve quality in all of our business functions and incorporate a team approach to data collection, analysis and problem solving

#### THE INTERNET

connecting with customers and within the organization to improve efficiency and quality

#### FLAWLESS EXECUTION

demanding high performance from each business unit and, by extension, each individual

## Policies and Organization

For more than 50 years, Johnson & Johnson's core values have been embodied in *Our Credo*, which sets forth the Company's responsibilities to customers, employees, communities and shareowners. The corporation's policies and practices have grown out of our *Credo* commitments to product quality, employee health and well-being, environmental protection, social outreach and sustainable business practices.

### Environmental, Health & Wellness and Safety Policies

The worldwide strategic visions for Environmental Affairs, Health & Wellness and Safety & Industrial Hygiene express the high expectations and standards we have set for ourselves at Johnson & Johnson.

#### Environmental Affairs Strategic Vision

We are committed to environmental leadership, instilling the highest environmental values in all employees, utilizing the best environmental practices in all we do and focusing on sustainable growth.

#### Health & Wellness Strategic Vision

We are committed to optimizing the health, well-being and productivity of Johnson & Johnson employees.

#### Safety & Industrial Hygiene Strategic Vision

We are committed to making Johnson & Johnson the world leader in health and safety by creating an injury-free workplace.

### Social Policies

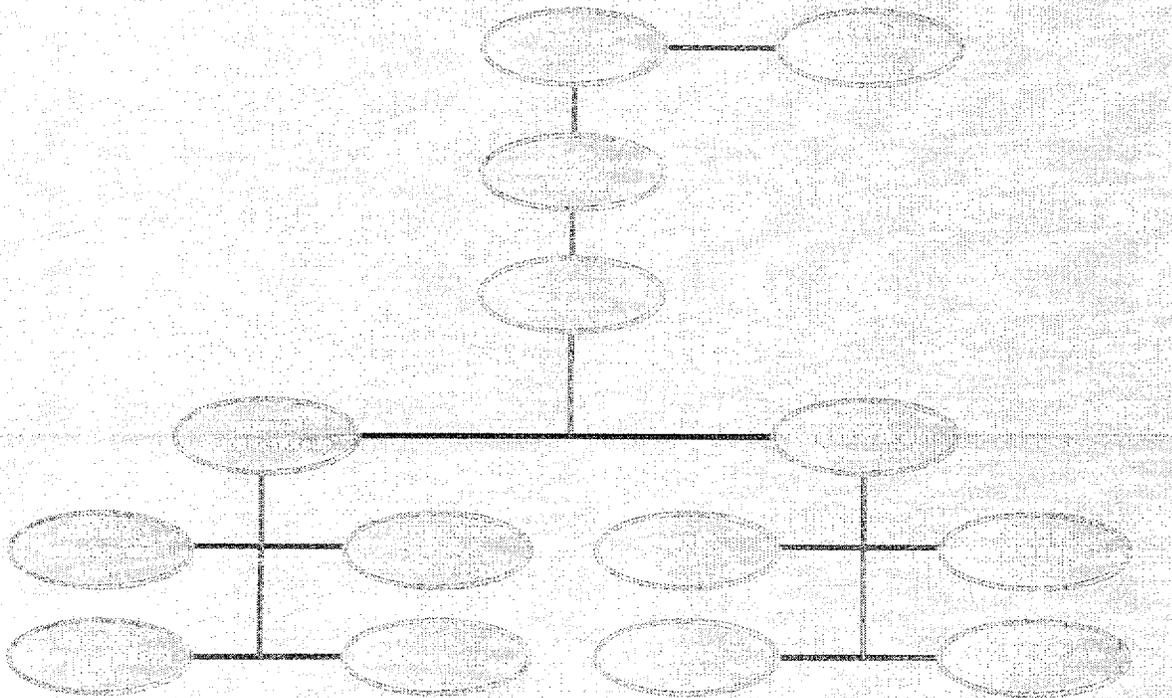
Johnson & Johnson is widely recognized for our family-friendly employment policies and commitment to social responsibility. For example, we offer a broad and flexible leave policy for family care matters, resource and referral programs for child care and elder care services, adoption benefits and other forms of work and life assistance. In addition, we have 6 on-site child development centers in the United States serving more than 750 children of employees in New Jersey and Pennsylvania, along with centers in Brazil and India. These programs exemplify our fundamental commitment to help employees fulfill family and work obligations.

### Voluntary Charter

Johnson & Johnson is signatory to the International Chamber of Commerce (ICC) Business Charter for Sustainable Development, one of the most broadly endorsed statements of business sustainability principles worldwide.

## Organizational Structure and Responsibilities

### Global Environmental, Health & Safety Organization



*Johnson & Johnson operates as a global organization with a decentralized management philosophy. Our commitment to environmental, health and safety excellence begins at the highest levels of the corporation. The Public Policy Advisory Committee of the Board of Directors oversees the Company's policies, programs and practices on public health issues regarding the environment and the health and safety of employees. This committee includes three board members and our Vice President, Administration, Russell C. Deyo.*

*The Technical Resources Group and Worldwide Benefits & Health Resources provide leadership, support and consulting services to Johnson & Johnson operating companies around the globe. Environmental, Health & Wellness and Safety professionals worldwide work to implement our programs in the operating companies.*

### External Certifications

Johnson & Johnson has embraced ISO 14001 as the basis for effective environmental management. As of January 2001, 30 Johnson & Johnson manufacturing and research & development facilities had received third-party certification. The corporation's goal is to have all worldwide facilities certified in accordance with ISO 14001 by the end of 2001.

The Janssen Pharmaceutica manufacturing plants in Cork, Ireland, and Geel, Belgium, have completed a successful third-party audit and received certification under the new Occupational Health and Safety Assessment Series 18001. Janssen Pharmaceutica, Geel, is the second company in Belgium to be awarded this prestigious certificate.

## Memberships

Johnson & Johnson is actively involved with the following organizations:

American College of Occupational and Environmental Medicine - An international society of occupational physicians providing leadership to promote optimal workplace health	<a href="http://www.acoem.org">www.acoem.org</a>
American National Standards Institute - A private, non-profit organization that administers and coordinates the United States' voluntary standardization and conformity assessment system	<a href="http://www.ansi.org">www.ansi.org</a>
Business for Social Responsibility - A resource organization for companies seeking to create value by addressing corporate responsibility issues	<a href="http://www.bsr.org">www.bsr.org</a>
Corporate Health Consortium, University of Texas Medical Branch at Galveston - A cooperative venture that develops innovative and practical programs for health promotion and injury reduction	<a href="http://www.utmb.edu/chc">www.utmb.edu/chc</a>
Global Environmental Management Initiative - A group of leading corporations dedicated to fostering excellence in global environmental, health and safety management	<a href="http://www.gemi.org">www.gemi.org</a>
Healthy People 2010 - Partners in Health - A national disease prevention and health promotion initiative sponsored by the U.S. Department of Health and Human Services along with hundreds of organizational and corporate partners	<a href="http://www.health.gov/healthypeople">www.health.gov/healthypeople</a>
Inter-American Safety Council - A private, non-profit educational organization dedicated to creating accident prevention/loss control awareness among Spanish and Portuguese speaking people of the world	<a href="http://www.cias-iasc.org">www.cias-iasc.org</a>
Joint US/EU Conference on Health and Safety at Work - A forum established by the United States and the European Union to gain insight into how different approaches can be used to eliminate hazards in the workplace	<a href="http://europe.osha.eu.int/us-eu">europe.osha.eu.int/us-eu</a>
The Keystone Center - A non-profit public policy and educational organization focused on scientific inquiry into the natural world	<a href="http://www.keystone.org">www.keystone.org</a>
National Audubon Society - A United States organization that works to conserve and restore natural ecosystems	<a href="http://www.audubon.org">www.audubon.org</a>
National Safety Council - A membership organization dedicated to protecting life and promoting health	<a href="http://www.nsc.org">www.nsc.org</a>
The Nature Conservancy - The world's largest private, international conservation group	<a href="http://www.nature.org">www.nature.org</a>
WERC - A Consortium for Environmental Education and Technology Development - A center for academic study and research into environmental processes and beneficial technologies	<a href="http://www.werc.net">www.werc.net</a>
World Business Council for Sustainable Development - An international organization working to promote cooperation among business, government and other stakeholders	<a href="http://www.wbcsd.ch">www.wbcsd.ch</a>
World Environment Center - A non-profit, non-advocacy organization promoting information exchange among industry, government, academia and the public	<a href="http://www.wec.org">www.wec.org</a>
World Resources Institute - An international research organization focusing on issues of the environment and sustainability	<a href="http://www.wri.org">www.wri.org</a>
World Wildlife Fund - An international organization dedicated to preserving nature and biological diversity	<a href="http://www.wwf.org">www.wwf.org</a>

Johnson & Johnson's involvement with major conservation and health organizations includes board membership by some of our senior management. Robert Wilson, Senior Vice Chairman of Johnson & Johnson, serves on the National Council of the World Wildlife Fund. Brenda Davis, Ph.D., Vice President of Technical Resources Group, Corporate Staff, chairs the board

of the New Jersey Chapter of The Nature Conservancy. Barbara Brummer, Ph.D., Worldwide Vice President, Women's Health & Wellness, serves on the board of the New Jersey Audubon Society. Ather Williams, Vice President, Worldwide Safety & Industrial Hygiene, is on the board of the National Safety Council and also chairs the Board of Trustees of the New Jersey State Safety Council.

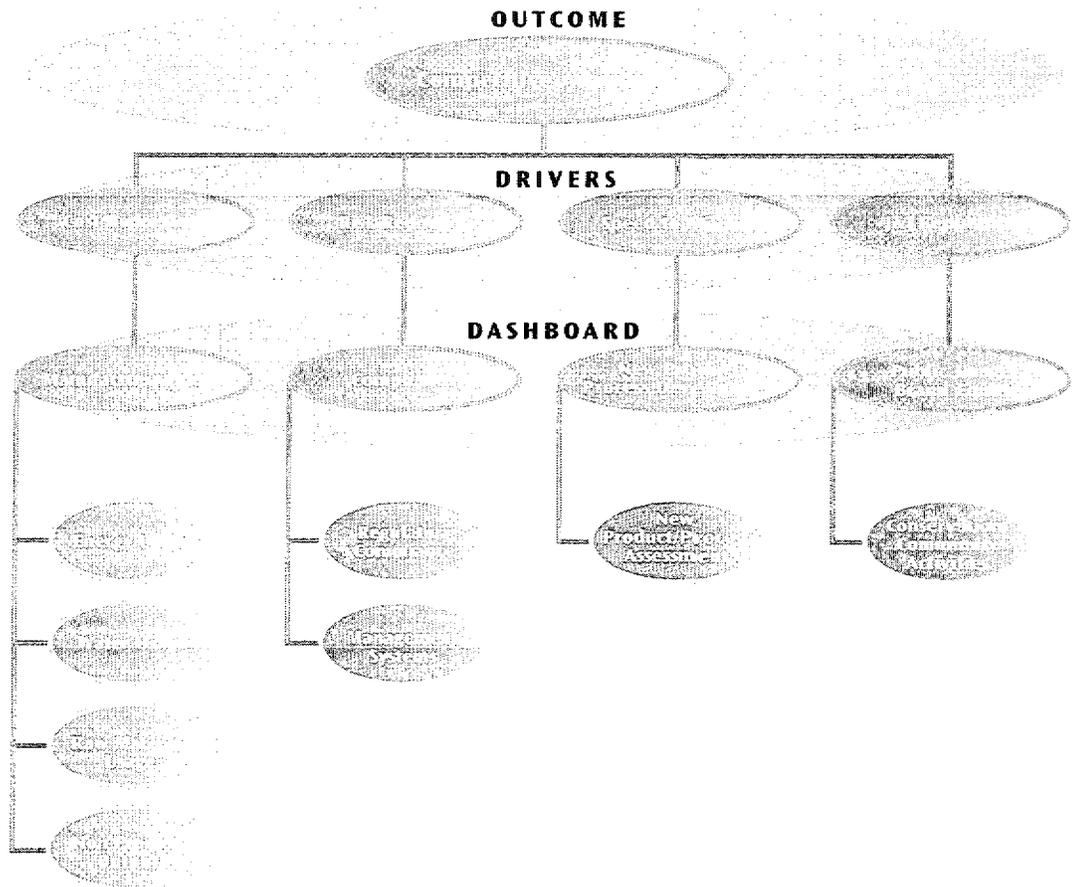
# Management System

## Programs and Procedures

### Next Generation Goals

Ten years ago, Johnson & Johnson established proactive pollution prevention goals. Today, with the exception of energy usage, we have achieved those goals — and we are setting more ambitious ones for 2001 and beyond. These Next Generation Goals have been designed to drive continuous improvement in environmental performance and promote full integration of environmental management with business decisions. Implementation of these goals will provide our operating companies with data they can use to design more efficient processes, decrease material usage and environmental impacts and increase yield and profitability.

*The Next Generation Goals include four management performance indicators and four operational performance indicators. The goals apply to all manufacturing and research & development sites worldwide.*



### Management Performance Indicators:

- Establishment and compliance with environmental management systems including ISO 14001 certification
- Environmental assessments of new products, processes and packaging
- Regulatory compliance, with the goal being zero violations and zero accidental releases
- Conservation and community outreach, including the development of a site-specific plan at each facility by year-end 2001

### Operational Performance Indicators:

- Target of four percent reduction in greenhouse gas emissions by 2005 (from base year 1990) and seven percent reduction by 2010
- Implementation of best practices for reducing total water consumption
- (1) Reduction in packaging material use, and  
(2) Reduction in all other raw material use by improving efficiency of conversion from raw material purchased to net product sold (goal to be determined)
- Reduction in generation of all non-product output, e.g., emissions or releases of waste (goal to be determined)

## *Environmental, Health and Safety Practices Written Guidance*

As part of our internal management system, Johnson & Johnson corporate offices establish standards of practice for our operating companies and facilities on required environmental, health and safety practices. We recently updated our Worldwide Environmental Practices to include guidance on external manufacturers and supplier relationships.

## *Internal Communications*

For Johnson & Johnson's Worldwide Safety & Industrial Hygiene group, the intranet has created a means of capturing real-time safety performance information from our operations around the world. As of January 2001, annual safety performance measures for 350 reporting units are collected through a user-friendly, cross-cultural intranet-based program. Developing this system enhanced existing processes to facilitate two-way communication about



safety performance across regions.

At the Cordis facility in Miami Lakes, Florida, U.S., a connected safety Web site equipped with Digital Dashboards offers rapid and efficient information exchange between safety professionals, safety process owners and others involved in the Safety Program. The Digital Dashboard is a powerful tool that employees can use to view their daily activities, collaborate with co-workers and gain insight into the safety performance of the company.

Our Health & Wellness group is also utilizing new technology to facilitate data collection and communication. The review process for occupational services worldwide is now conducted through the intranet with the ability to capture live data and prepare management action plans around the globe.

Throughout the corporation, Johnson & Johnson utilizes electronic media to share technical expertise, including environmental, health and safety innovations. For instance, we disseminate best practices in the areas of energy conservation, environmentally friendly energy production and water conservation through corporate intranet sites.

## **Measuring and Improving Management Quality**

### *Management Awareness and Action Review System (MAARS)*

Johnson & Johnson initiated MAARS in 1997 to encourage facilities to identify and proactively manage environmental,



health and safety issues. Each facility conducts a self-assessment annually and develops a Management Action Plan based upon the self-assessment results. Corporate staff review the plans and conduct full facility joint assessments once every three years.

Facilities are evaluated against Johnson & Johnson's worldwide environmental, health and safety standards, as well as local laws and regulations. The MAARS evaluation process provides an incentive for facilities to go beyond compliance with regulatory requirements.

## **Supply Chain**

### *Environmental and Safety Practices*

Under guidelines established in 1999, each Johnson & Johnson company is required to include environmental, safety and industrial hygiene considerations into all contractual agreements with external manufacturers — those

## **Achieving Sustainable Growth**

Johnson & Johnson was named one of America's Top Corporations for Women's Business Enterprises by the Women's Business Enterprise National Council (WBENC). The award is based on WBENC's annual survey and analysis of corporate best practices in supplier diversity programs for women's business enterprises.

Johnson & Johnson is among the largest corporate philanthropists worldwide. In 2000, we donated \$218 million in cash and products. More information on our corporate philanthropy is included in this report under Economic Performance.

Johnson & Johnson was named one of the best employers for people with disabilities according to *Work*, the lifestyle magazine for people with disabilities.

## Stakeholder Relationships

facilities outside of Johnson & Johnson that produce some of our final products and active pharmaceutical ingredients. For suppliers, new guidelines adopted in 2000 emphasize sharing information and expectations regarding environmental and safety programs and performance. Johnson & Johnson recognizes that all the materials consumed and services utilized as part of conducting business contribute to the total environmental and safety impact of our corporation. We believe that sharing our proactive environmental and safety programs with our suppliers translates into added business value for both partners.

### *Minority and Women Business Enterprises*

Johnson & Johnson has an active outreach program aimed at expanding opportunities for minority and women-owned suppliers to partner with us. More information on this program is available at [www.jnj.com/who\\_is\\_jnj/](http://www.jnj.com/who_is_jnj/).



*Open dialogue with stakeholders is essential for effective, responsible management of environmental, health and safety issues. Our stakeholders encompass a variety of groups, including:*

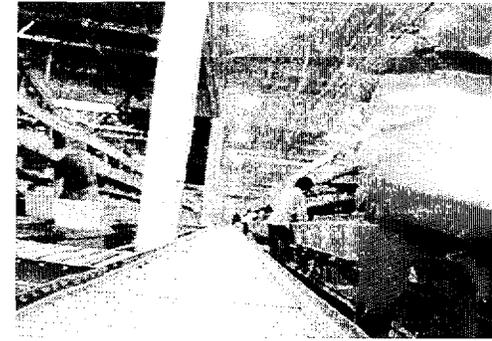
- Johnson & Johnson employees at all levels of the company
- customers and consumers
- communities in which our facilities operate
- non-governmental organizations (NGOs)
- governmental and regulatory agencies
- academia
- investors

One very important avenue for employee dialogue is the Credo Challenge, which each Johnson & Johnson employee is asked to participate in once every two years. This extensive survey seeks to bring forward employees' opinions on how well they as individuals, their management, their company and the corporation as a whole are fulfilling the responsibilities of Our Credo.

We use other employee communication vehicles to obtain information and focus services. For instance, Health & Wellness obtains feedback and identifies opportunities for improvement by surveying employees on how well the organization is meeting their needs.

We are facing several new challenges as the state of science and technology pushes ahead. For instance, there is growing public concern regarding hormonally active substances, genetically modified ingredients, and pharmaceuticals in the environment. We have established an

Emerging Issues Task Force and conducted relevant symposiums to examine these types of important business and environmental topics. We share stakeholders' concerns about the potential impacts associated with these issues, and we are actively working to understand and address them.



### Innovation

An example of our work with stakeholders is our involvement with Federal Express to facilitate the return of used healthcare products. A Johnson & Johnson task force partnered with Federal Express and several regulatory agencies to develop safe, simple and cost-effective shipping guidelines. The involvement of the United States Department of Transportation, the Centers for Disease Control and Prevention along with the United States Occupational Safety and Health Administration ensured that the shipping guidelines comply with government regulations. Instead of refusing shipments of used sharp items (for example, suture needles and other surgical instruments), Federal Express will now accept these items when properly packaged for shipment.

*Working Mother* magazine has named Johnson & Johnson one of the 100 Best Companies for Working Mothers every year since the inception of the list. Companies are selected based on criteria such as pay scale, opportunities for advancement, support for childcare and availability of family-friendly benefits.

*Fortune* magazine has consistently ranked Johnson & Johnson among the 100 Best Companies to Work For.

Johnson & Johnson is included in the Dow Jones Sustainability Group Index, which represents the top 10 percent of companies in the world in terms of demonstrated commitment to sustainable development.

As a direct result of the hard work of our employees across the globe, Johnson & Johnson has fully achieved our pollution prevention goals, launched 10 years ago. Today, we are looking to a sustainable future with our Next Generation Goals, expanding our focus on the material inputs to our processes and on resource usage (water and energy) as well as non-product output (wastes).

The data charts presented in this section illustrate the substantial improvements we have made thus far.

### Energy

In 2000, we achieved a 23.1 percent cumulative reduction in energy usage worldwide, which is slightly below our 25 percent goal 1991 to 2000. This represents the avoidance of 765 million pounds of carbon dioxide (CO<sub>2</sub>) emissions worldwide. Johnson & Johnson's Best Practices for energy use comprise a multi-step process for implementing efficiency improvements, targeting those systems that require the most electricity or heat energy. Our goal is to have 100 percent worldwide implementation of our enhanced energy best practices by 2005.

### Innovation

Johnson & Johnson Consumer Products Worldwide Engineering has designed process enhancements that are bringing dramatic energy savings to our consumer product manufacturing facilities. The new wound care adhesive coating process eliminates natural gas usage, reduces electricity consumption by 60 percent, generates less waste and uses less solvent when compared to the previously used process. We are now

expanding the use of the new coating process throughout our operations.

### Materials

We are continually evaluating our use of raw materials for packaging and process inputs and identifying opportunities to minimize material use. We have achieved a 27 percent cumulative avoidance in the use of packaging material from 1992 to 2000. We have also reduced the amount of office paper used by more than 60 percent over the same period.

### Innovation

The Risperidone Optimisation Team at Janssen Pharmaceutica in Beerse, Belgium, redesigned the chemical process for producing the active ingredient in RISPERDAL. The process modifications resulted in higher overall yield, less consumption of raw material and solvents, reduction of waste streams, and reduced equipment, operator and cycle times. The process improvements will reduce on an annual basis total solvent use by an estimated 75,000 gallons and raw material use by more than 26 tons.

### Innovation

The Johnson & Johnson Professional Products Manufacturing Company in São José dos Campos, Brazil, has begun using bamboo fiber to construct cardboard boxes for product packaging. Stringent standards for quality make it very difficult to use recycled materials in this application. As a virgin material, bamboo is environmentally preferable to the available alternatives, eucalyptus or pine, because it has a shorter maturation time and therefore replenishes itself more quickly. The greater strength per unit weight of the long bamboo fibers has also reduced waste generation by about seven percent, or six tons per year. Substituting bamboo as the main raw material in packaging will help preserve the integrity of native forests in Brazil.

### Water

Johnson & Johnson reduced water use from our facilities worldwide by almost 80 percent from 1993 to 2000.

### Process Excellence

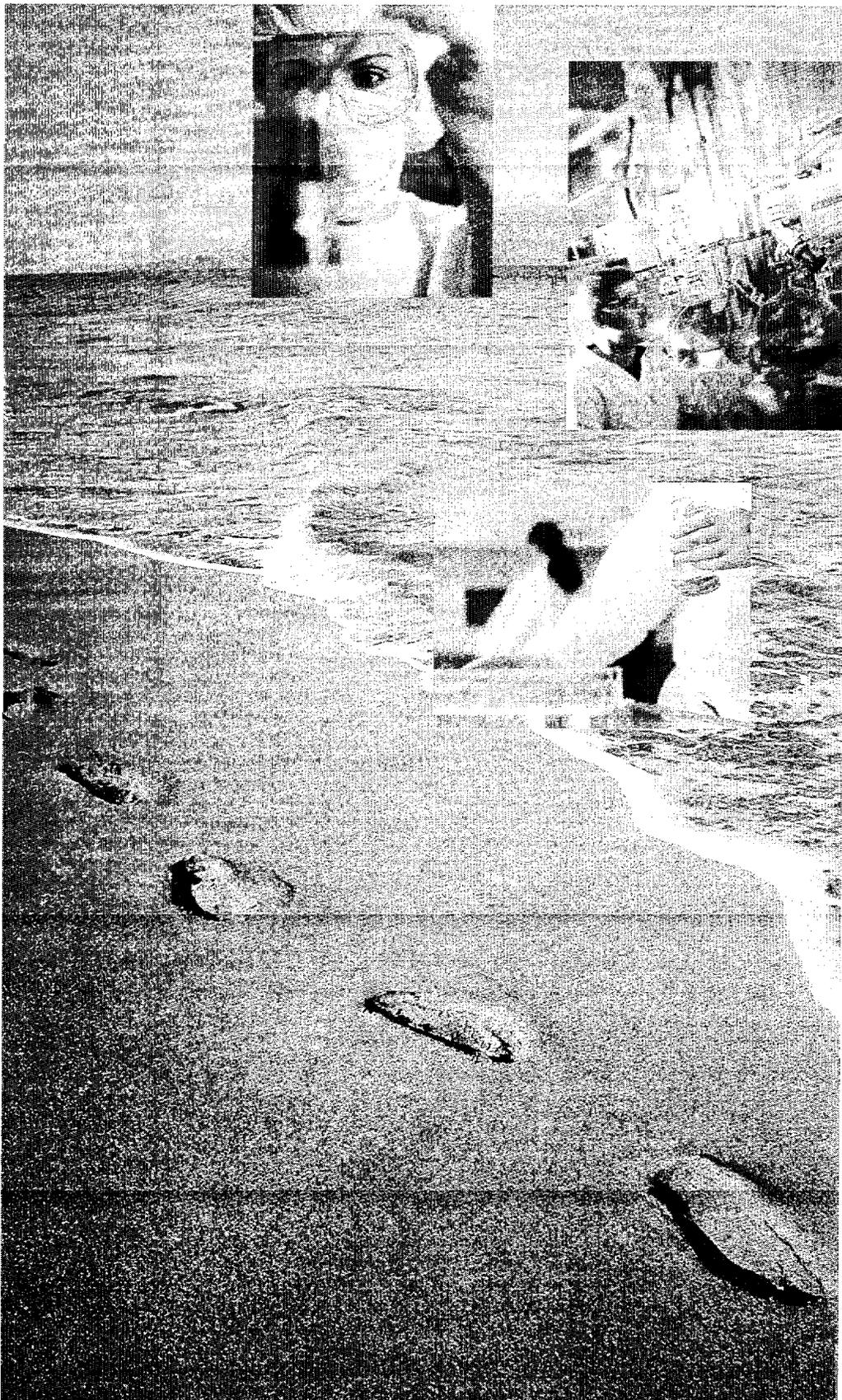
A multifunctional team at the consumer manufacturing plant in Shanghai, China, applied Six Sigma tools to an operational and environmental problem, significantly reducing water use and wastewater generation. Through the use of process excellence analysis, the team identified several

## Achieving Sustainable Growth

### Flawless Execution

Johnson & Johnson received the 2000 ENERGY STAR Buildings Partner of the Year Award from the United States Environmental Protection Agency. Initiated in 1995, the ENERGY STAR Buildings Program encourages building owners to voluntarily commit to efficiency measures and upgrades. Johnson & Johnson is a proud ENERGY STAR Buildings Partner, and the efficiency projects implemented thus far have produced an annual cost savings of \$10 million.

Healthy People...



unnecessary washing practices and other opportunities for minimizing water use. The facility was able to eliminate about 25 percent of the production line's wastewater flow through methods such as replacing smaller containers with larger ones that have less surface area per volume, carefully identifying only necessary washing procedures and adjusting the water spray rate on the rinsing equipment.

### Emissions, Effluents and Waste

From 1991 through 2000, we have accomplished significant reductions in non-product outputs. Toxic chemical releases decreased by 95 percent, hazardous waste generation by 19 percent, and solid waste disposal by 77 percent. In addition, the percentage of solid waste that we recycle has increased sixfold over that time period. Wastewater disposal has been reduced by 88 percent since 1993.

### Innovation

McNeil Consumer Healthcare Canada in Guelph, Ontario, has been an environmental leader in the community since its groundbreaking in 1978. The facility's Environmental Task Force has embarked on a multi-phase initiative to reduce the environmental impacts of its operations.

### Flawless Execution

Johnson & Johnson China Ltd., our consumer healthcare facility located in Shanghai, achieved an average reduction of 16 percent per year in water usage and wastewater discharge from 1995 through 1999 and a more than 60 percent reduction in wastewater discharge in 2000.

## Environmental Performance

The first phase targets energy use and CO<sub>2</sub> emissions, which contribute to global climate change. Through Tree Census 2000, one component of the overall initiative, the facility calculated the number of trees required to offset the facility's direct and indirect CO<sub>2</sub> emissions. The McNeil team also coordinated the involvement of about 30 local companies to jointly plant 40,000 trees in the community, with McNeil's share equaling nearly eight years of carbon credit offset for the facility.

### Solid Waste Recycling

#### Flawless Execution

Johnson & Johnson de Colombia joined with 73 other companies in donating their recyclable office paper to Club Noel, a children's hospital in Cali, Colombia. Proceeds from the sale of the paper sponsored the care of more than 2200 needy children during 2000. Johnson & Johnson's share alone supported about 500 children.

### Land Use and Biodiversity

We are committed to protecting habitat and minimizing the impact of our operations on ecosystems.

### Innovation

Our Noramco site in Wilmington, Delaware, U.S., was a pioneer in brownfield redevelopment, constructing a new pharmaceutical facility at an abandoned industrial site on the Christina River in 1980. Since that time, Noramco has been integrally involved in efforts to improve water quality throughout the river basin and to promote public awareness and appreciation of the area's cultural and historic importance.

### Products and Services

To improve the environmental performance of our products going forward, Johnson & Johnson is introducing Design for Environment—a product development model that is being incorporated into regional training programs worldwide. Under this approach, environmental considerations are being fully integrated into product conceptualization and design.

### Process Excellence

An example of the successful use of Design for Environment is the chip reduction initiative at Ortho-Clinical Diagnostics (OCD) in Rochester, New York, U.S., a manufacturer of professional diagnostic products. OCD has successfully reduced the size of its clinical chemistry chip—the key component in its product line—

by about 50 percent over the past two years, without affecting accuracy of the diagnostic test results. This has significantly increased product yield while reducing raw materials usage by nearly 60 tons per year and reducing hazardous waste generation by 130 tons per year. Utilizing the principles of Six Sigma, OCD has made further process improvements that reduce hazardous and non-hazardous waste generation by an additional 30 tons per year.

### Compliance

This past year, we experienced an increase in the number of regulatory non-compliance events, which is inconsistent with the trend of continuous decline since 1995. There were a total of 44 events in 2000, of which 38 were regulatory non-compliance events and 6 were accidental releases. The majority (79 percent) of the regulatory non-compliance events were due to wastewater. A new start-up operation contributed to 30 percent of these events, as we brought the operation to stabilization. We also continue to experience stormwater runoff excursions at a few sites.

Johnson & Johnson is committed to zero accidental release and

## Achieving Sustainable Growth

### Flawless Execution

Ortho-Clinical Diagnostics in Rochester, New York, U.S. was awarded one of five State of New York Governor's Awards for Pollution Prevention for 2000. These awards recognize organizations with pollution prevention practices that exceed the legal requirements of environmental protection and successfully implement source reduction.

### Innovation

PSGA/Ortho-McNeil Pharmaceuticals in Spring House, Pennsylvania, U.S., received two awards this year:

- Pennsylvania Governor's Award for Environmental Excellence for innovative treatment of mixed waste
- Northern Montgomery County Recycling Commission Recycling Award



## Xian-Janssen Support of Rural Education

In November 1998, Xian-Janssen initiated a charitable project to support education in poor rural areas of the Chinese province of Shaanxi.

At the direction of Dr. Paul Janssen, founder of Janssen Pharmaceutica, Xian-Janssen donated 1 million yuan (more than \$120,000) to Shaanxi Province, at a time when the people in that area were suffering from the aftermath of severe floods.

The Shaanxi Provincial Education Commission used the donation to establish the Paul Janssen Primary School in Zhashui, the Johnson & Johnson Primary School in Ziyang and the Xian-Janssen Middle School in Ningqiang. Xian-Janssen is also sponsoring two teachers for each school, and company employees are donating books.



## The Wolong Giant Panda Project

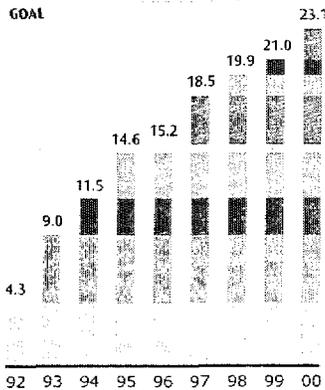
Since 1996, Johnson & Johnson has supported collaborative research on the behavior and ecology of wild giant pandas in China. China is the only natural home to this rare and treasured species. Unfortunately, the panda is critically endangered, and understanding of the panda population is very limited. In fact, researchers are not sure how many pandas are left in existence.

The ongoing panda research is generating data on the current population of wild giant pandas in the Wolong Nature Reserve in China and the condition of their habitat. To date, more than 87 potential giant panda and black bear dens have been identified. The research team is observing the dens to learn about the behavior patterns of the pandas. The findings of this project are crucial to predicting the viability of pandas at the reserve and to developing wildlife management plans to protect the species.



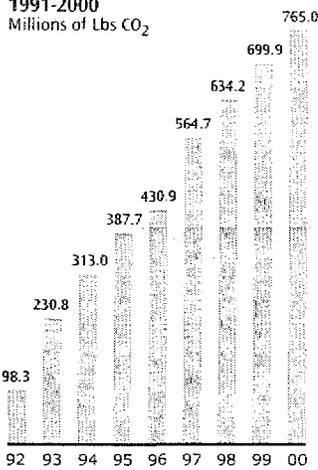
# Environmental Worldwide Results

**FIGURE 1**  
Cumulative Energy Reduction  
1991-2000  
Percent (%)

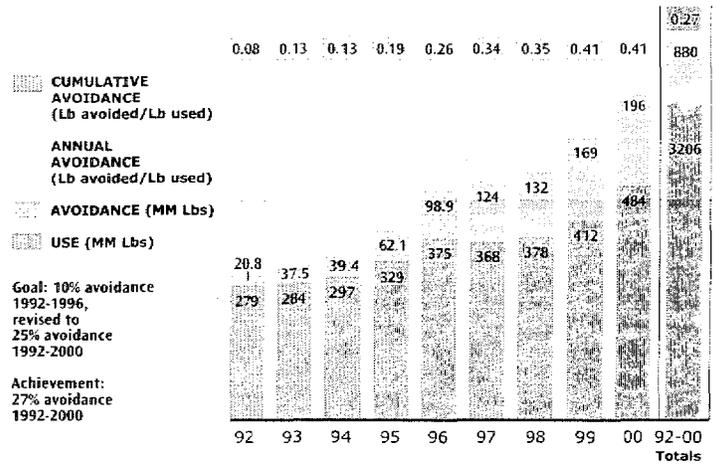


Goal: 10% reduction 1991-1996,  
revised to 25% reduction 1991-2000  
Achievement: 23.1% reduction 1991-2000

**FIGURE 2**  
Cumulative CO<sub>2</sub> Emission Avoidance  
1991-2000  
Millions of Lbs CO<sub>2</sub>

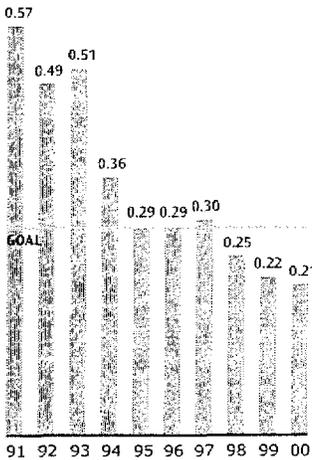


**FIGURE 3**  
Packaging Material Use and Avoidance 1992-2000  
Millions of Lbs/Company-Reported Use



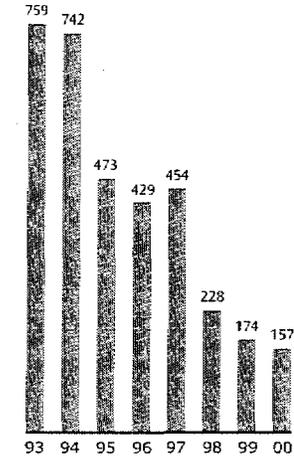
Goal: 10% avoidance  
1992-1996,  
revised to  
25% avoidance  
1992-2000  
  
Achievement:  
27% avoidance  
1992-2000

**FIGURE 4**  
Office Paper Usage  
1991-2000  
Lbs Used/\$1,000 Sales



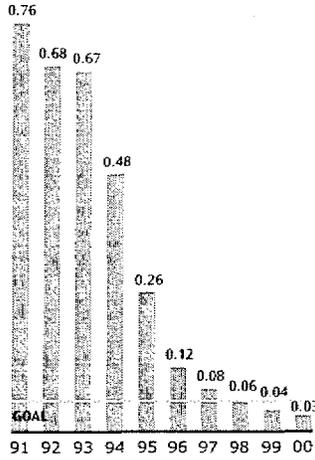
Goal: 50% reduction 1991-1996  
Achievement: 64% reduction 1991-2000

**FIGURE 5**  
Water Usage 1993-2000  
Gallons Used/\$1,000 Sales



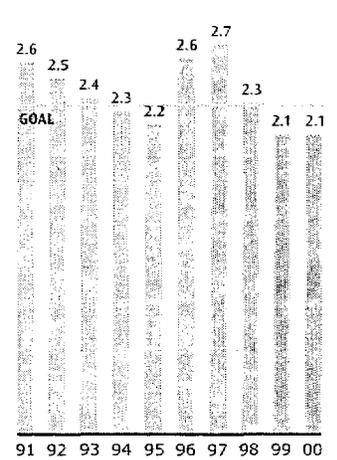
Achievement: 79% reduction 1993-2000

**FIGURE 6**  
Toxic Chemical Releases  
1991-2000  
Lbs Released/\$1,000 Sales



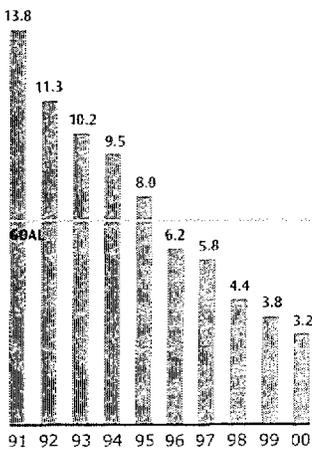
Achievement: 95% reduction 1991-2000

**FIGURE 7**  
Hazardous Waste Generation  
1991-2000  
Lbs Generated/\$1,000 Sales



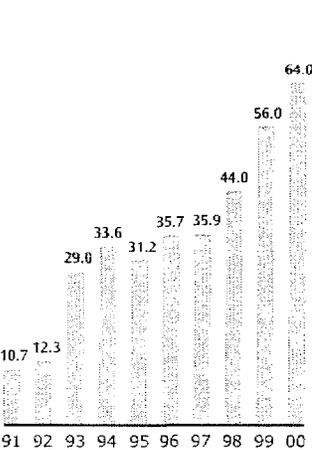
Goal: 10% reduction 1991-2000  
Achievement: 19% reduction 1991-2000

**FIGURE 8**  
Solid Waste Disposal  
1991-2000  
Lbs Landfilled/\$1,000 Sales



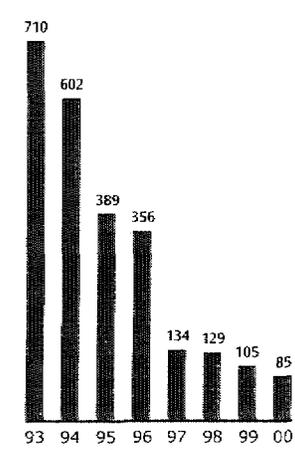
Goal: 50% reduction 1991-2000  
Achievement: 77% reduction 1991-2000

**FIGURE 9**  
Percent Recycled of Solid  
Waste Generated 1991-2000



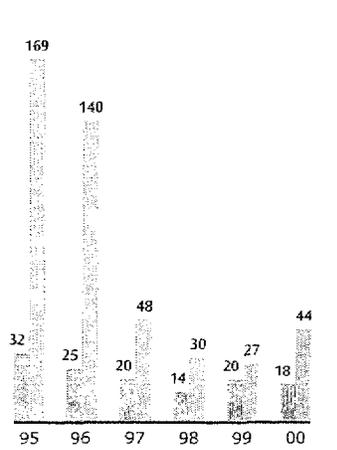
Achievement: 83% increase 1991-2000

**FIGURE 10**  
Wastewater Disposal 1993-2000  
Gallons Disposed/\$1,000 Sales

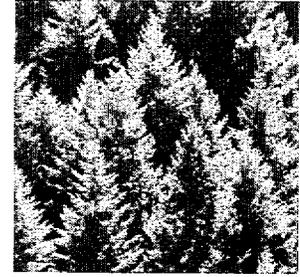


Achievement: 88% reduction 1993-2000

**FIGURE 11**  
Accidental Releases and  
Non-Compliance Events  
1995-2000



Legend:  
■ Companies reporting events  
■ Accidental releases/non-compliance events



non-compliance events. We have increased awareness in controlling new operations through additional technical support and better management of change. We will continue to strive toward our goal of zero non-compliance events by applying state-of-the-art technical solutions, sharing best practices and management action plans, and providing timely feedback across our operations.

In December 2000, Johnson & Johnson was accepted as a charter member of the National Environment Achievement Track, a United States Environmental Protection Agency (EPA) program for facilities that exceed environmental protection requirements. Fifty-one Johnson & Johnson facilities in the United States and Puerto Rico were accepted, representing more than 20 percent of the 225 charter members. This innovative partnership with the EPA recognizes the shared benefits of the beyond compliance approach, including a commitment to continuous improvement and public reporting on performance.



Johnson & Johnson has been recognized for its commitment to environmental protection and sustainable development. In 2000, the company was named one of the "100 Best Companies to Work For" by *Fortune* magazine. The company has also been recognized for its commitment to environmental protection and sustainable development. In 2000, the company was named one of the "100 Best Companies to Work For" by *Fortune* magazine. The company has also been recognized for its commitment to environmental protection and sustainable development. In 2000, the company was named one of the "100 Best Companies to Work For" by *Fortune* magazine. The company has also been recognized for its commitment to environmental protection and sustainable development.

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The social aspect of Johnson & Johnson's performance relates to how we care for our employees, customers and community. Two key organizations, which are vital to our corporation, are Johnson & Johnson's Health & Wellness and Safety & Industrial Hygiene.

## Health & Wellness

The Health & Wellness organization at Johnson & Johnson demonstrates our commitment to the Company's most important resource — our people. The program's ultimate goal is to optimize the health, well-being and productivity of Johnson & Johnson employees.

### "JOBFIT" Approach to Ergonomics

#### Innovation

Johnson & Johnson is actively working on ergonomics improvements that reduce injuries and promote a healthy workplace. Health & Wellness and Safety & Industrial Hygiene are partnering on JOBFIT, a strategy to prevent musculoskeletal disorders among our workers. JOBFIT focuses on employees' JOB and FITness abilities and is targeted toward many different segments of workers, including new hires and transfers, those in high-risk jobs and those returning from disability. Workers are given the opportunity to participate in personalized conditioning and stress management.

JOBFIT has now been piloted at 3 Johnson & Johnson facilities. Following the 12-week pilot program conducted in 1999 at Ortho-Clinical Diagnostics, Rochester, New York, U.S., injuries and

lost workday cases arising from overexertion decreased by 40 percent. During 2000, we also piloted JOBFIT at our Ethicon location in San Angelo, Texas, U.S., and at the University of Texas Medical Branch in Galveston. JOBFIT's impact on participants in the physical conditioning component at the two sites was evident. Eighty-eight percent of program non-exercisers became regular exercisers, while 100 percent of the pre-program regular exercisers maintained their exercise status at the end of the 12-week pilot program. Eighty percent of participants reported that they could better handle stress and 81 percent stated that they increased their productivity or work performance as a result of this program.

### Onsite<sup>®</sup> Therapy at LifeScan

#### Innovation

LifeScan in Milpitas, California, U.S., is a Johnson & Johnson company that develops and manufactures glucose monitoring systems for people with diabetes. LifeScan recently began a comprehensive program to provide onsite physical therapy for employees with work-related illness and injuries. Since May 1999 when the program began, the company has seen a

50 percent decrease in the total number of physical therapy visits needed for the employee to return to a pre-injury condition — an average of 6 visits, compared to 13 before Onsite<sup>®</sup> Therapy was initiated. One unique advantage of the program is that the onsite physical therapist can observe the workstation firsthand, provide job-specific recommendations to the employee and customize the treatment plan. The fitness center staff at LifeScan also work closely with the therapist to coordinate rehabilitation and post-rehabilitation exercise programs. Several other Johnson & Johnson locations are planning to establish Onsite<sup>®</sup> Therapy in 2001.

### TotalHealth — A Partnership for Healthy Living

#### Innovation

In 2000, Health & Wellness and Strategic Planning, Benefits launched TotalHealth as a major expansion of the company's offerings of health-related employee resources for U.S. employees. At the center of TotalHealth is HealthLine, a 24-hour call-in service staffed by highly trained registered nurses. Employees are encouraged to call for information on health concerns, specific medical conditions or lifestyle issues. HealthLine is a voluntary and completely confidential service for Johnson & Johnson employees and their dependents. General information on more than 460 health topics is also available via the AudioHealth Library<sup>®</sup>, a 24-hour

## Achieving Sustainable Growth

### Flawless Execution

Johnson & Johnson Health & Wellness received the Distinguished Corporate Employer Award from the Mental Health Association of New Jersey in May 2000. Health & Wellness was recognized as having the best approach and demonstrated commitment to the mental health of our employees within the state.

### Flawless Execution

The Psychologically Healthy Workplace Award was given to Johnson & Johnson in October 2000 by the New Jersey Psychological Association, recognizing excellence in several programs that foster emotional stability and productivity among employees.

## Balancing Work, Family and Personal Life

**L**ifeWorks® is another program available free to Johnson & Johnson employees in the United States, delivering practical solutions, information, advice and support through a resource and referral system.

The system is available 24 hours a day, 7 days a week and can also be accessed online. Some examples of the services and topics it provides include:

- parenting and child care
- resources for older adults
- education (grade school through college)
- workplace stress
- budget planning
- adoption assistance

More than 30 percent of Johnson & Johnson's United States employees or their family members have utilized LifeWorks® services this past year.



*"LifeWorks® told us all about different adoption options and the counselor shared her personal experience. She gave us honest and experienced feedback regarding different agencies. This led us to a team of very experienced, caring and competent individuals who guided us through an unbelievable process. Once we got through all of the challenges that come with an international adoption and went to Cambodia, there were no surprises and we were well prepared for the experience. That's what a good agency does, and thanks to you we had the best! I have been with Johnson & Johnson since February of 1986, and have had many wonderful experiences. This experience has touched my heart and changed our lives. You should be proud that your organization was there supporting us all the way! On behalf of my husband Richard, our six-year-old daughter Carson, and our lovely nine-month-old twins, Emma and Lily, you have our sincere thanks and gratitude."*

*Sue Petrella  
Director of Sales, CardioVations*



Johnson & Johnson is a founding sponsor of the SAFE KIDS Campaign, a worldwide network of programs aimed at preventing childhood accidents and injuries. Each year in the United States, SAFE KIDS distributes nearly a million bicycle helmets, 500,000 car seats and 100,000 smoke alarms to families in need. In 2000, SAFE KIDS expanded to include new coalitions in China, Germany, the United Arab Emirates, Israel, Brazil and Japan, involving local Johnson & Johnson operating companies around the world.



all employees at the site. Between 2000 and 2003, all site employees will participate in an extensive survey of stress factors and potential impacts. Each department at the site will work with the medical officer and psychosocial consultant for Janssen to interpret survey results and develop follow-up action plans. The program is being promoted throughout the facility via the intranet, posters and other internal communication vehicles.

### Employee Assistance Program (EAP)

#### Flawless Execution

The EAP is a professional, confidential service available to help employees and family members resolve personal issues and problems before they affect health, relationships and job performance. This program is available to all United States employees around the clock. EAP provides support for a broad range of issues, including marital and family concerns, financial difficulties, stress, and alcohol or other substance abuse. In addition, supervisors are trained in observing behaviors as they relate to job performance and referring employees for assistance.

During 2000, in the United States, the EAP delivered:

- 600+ hours of management consultation
- 200+ hours of training and seminars
- 70+ hours of EAP orientations
- individual assistance to more than 1300 Johnson & Johnson employees or family members

Outside of the United States, EAP services are also available to Puerto Rico employees and to expatriates at Johnson & Johnson facilities worldwide. EAP services for all employees in Singapore have recently been established.

*"This past six months in my life, I was faced with a significant personal tragedy and challenge. I was extremely fortunate to have the support, education and guidance from Employee Assistance and Corporate Strategic Planning, Benefits. These individuals provided sound relief and solid advice and support following the guidelines within Johnson & Johnson. They truly exemplify what Johnson & Johnson and Our Credo are all about."*

*Johnson & Johnson employee*

### Medical Surveillance & Injury/Illness Prevention

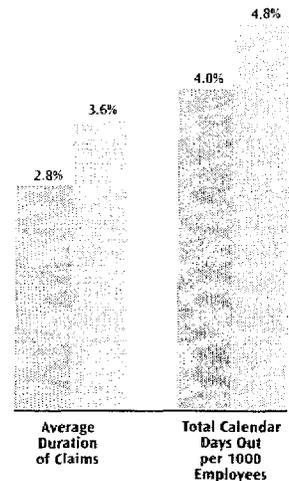
#### Flawless Execution

As part of our proactive approach to injury/illness prevention, employees in certain jobs are placed in appropriate medical surveillance and given periodic health evaluations to ensure their protection and fulfill our Credo responsibility to provide a safe workplace for our employees. Such evaluations are conducted in accordance with Johnson & Johnson Health & Wellness established protocols and in compliance with regulatory requirements.

The primary purpose for medical surveillance is to support the development of control measures for workplace hazards and prevent the occurrence of illnesses and injuries. Working collaboratively with environmental, health, safety and industrial hygiene professionals, workplace hazards can be eliminated.

Some of the major medical surveillance programs delivered to

FIGURE 1  
J&J Domestic Short Term Disability Program  
Percent Reduction 1996-1999



1996-1998 1996-1999

The above results reflect the impact of the program since fully operational in 1998 compared to pre-implementation (1996).

Johnson & Johnson employees in the United States during 2000 included:

	Number of Employees Covered
Bloodborne pathogens	1650+
Respiratory protection	1570+
Ergonomic evaluations	3480+
Hearing protection	2880+
Emergency response personnel	455+
Powered motorized equipment personnel	1745+

In 2000, there were zero violations issued for United States based compliance requirements. Health surveillance protocols are deployed to all operating companies, and efforts to ensure compliance are ongoing worldwide.

#### Flawless Execution

Neutrogena Fit-for-Life Club is an ongoing exercise initiative that provides participants with the tools, support, education and motivation to begin and maintain an active lifestyle. Employees at Neutrogena track their minutes of physical activity and earn milestone rewards. The club also includes quarterly newsletters, group walks and invitations to special health events.



service for accessing pre-recorded health information.

*"Last Thursday, I was faced with a medical crisis. I had been out of town and upon my return learned that my mother was not feeling well. She was dehydrated and unable to digest food for two days. I wasn't sure what to advise her since other recommendations she received were very unsuccessful. I decided to call HealthLine. The HealthLine nurse was extremely knowledgeable and compassionate. She provided very specific suggestions on what foods were recommended and shared other important advice. My mother followed the recommended diet, which was of immediate help. She dramatically improved by the hour. The following morning, I called HealthLine for additional advice and spoke with another nurse who was also very helpful and caring. My mother is feeling much, much better and the outcome is a direct result of the support from HealthLine. Please share my gratitude to the entire team at Access Health McKesson HBOC, Inc. for their outstanding support. It made a difference in our lives."*

Johnson & Johnson employee

#### The Internet

This year, TotalHealth will incorporate a new online Health Profile service—an interactive, confidential health risk assessment. The online Health Profile will provide immediate feedback, action planning and links to other health resources. It will assess critical health risk factors and encourage employees to take steps toward a healthier lifestyle.

#### Organizational Stress Management at Janssen Pharmaceutica, Belgium

#### Innovation

At our pharmaceutical facility in Beerse, Belgium, health professionals have initiated a comprehensive program to understand and address stress among

AudioHealth Library<sup>®</sup> is a registered trademark of McKesson HBOC, Inc.

#### Business Execution

Thirteen Janssen locations around the United States have full wellness and fitness centers with aerobic exercise equipment and weight machines. Fifteen more locations have exercise rooms, and there is an exercise reimbursement program for field-based employees that can be applied to membership costs for fitness programs.

#### Innovation

State-of-the-art medical case management, in cooperation with our health and safety professionals, ensures consistent interventions for injury and illness management in the workplace. Medical guidelines established by our Health & Wellness group have resulted in a significant reduction in lost productivity while enhancing the quality of medical care.

## Safety & Industrial Hygiene

*Driven by the philosophy that going beyond compliance creates competitive advantage, Johnson & Johnson's Worldwide Safety & Industrial Hygiene organization seeks innovative ways to make safety a value around the world.*

### Ergonomics

#### Innovation

Several years before the United States Occupational Safety & Health Administration (OSHA) developed ergonomics guidelines, Johnson & Johnson sought ways to reduce the frequency and severity of musculoskeletal disorders, which often account for as much as half of workers' compensation claims. The very nature of jobs in many Johnson & Johnson facilities requires repetitive motion, lifting and other movements that can cause muscle, joint and nerve trauma over time.

#### Flawless Execution

The Worldwide Safety & Industrial Hygiene (S&IH) organization is helping to increase ergonomics awareness in all of our facilities — even in areas of the globe that, until recently, did not recognize ergonomics as a work-related illness. In 1997, a team from S&IH introduced Johnson & Johnson's ERGO: Worldwide Ergonomics Initiative, to our facilities in the Asia-Pacific, including sites in Malaysia, Thailand, Korea and India. In 2000, the company translated the program

into Nihon-go, Japan's local language. Johnson & Johnson facilities across Japan requested and received training on ergonomics and conducted risk assessments in their native language.

### Managing Exposures to Hazardous Substances

#### Innovation

Another safety effort that has gone beyond compliance at Johnson & Johnson is managing exposures to hazardous substances. Respirators are effective in controlling employee exposures to airborne substances, such as drug compounds, and are widely accepted for this purpose throughout the pharmaceutical industry. However, they can be uncomfortable for employees to wear for prolonged periods of time. Johnson & Johnson believes that employee exposure risks are more effectively managed by *preventing* drug substances from entering the air rather than using personal protective equipment to limit exposure afterward.

#### Flawless Execution

Janssen-Cilag embarked on a major initiative in 2000 to incorporate engineering controls at its European

pharmaceutical facilities to prevent worker exposure to potent pharmaceutical agents. The challenge was to design cost-effective containment controls that could be used with existing process equipment. Facility teams of pharmaceutical engineers, production managers and safety professionals identified 43 priority projects, of which 18 have been completed, 20 are under design or in fabrication, and 5 are under study. Janssen-Cilag is reaching its goal of reducing the use of respirators for routine operations.

### Machine Safety

Johnson & Johnson has made substantial investments in equipment modifications and training to improve machine safety worldwide. The company finished 2000 with no machine-related amputations and with serious injuries reduced by 50 percent.

#### The Internet

The Ethicon Endo-Surgery site in Juarez, Mexico, has been a leader in the development of electronic systems to help manage information and data related to its safety program. One component of its machine safety data base contains lockout procedures for all machines and job safety analysis procedures for all jobs. Employees can access this information directly from computer workstations on the manu-

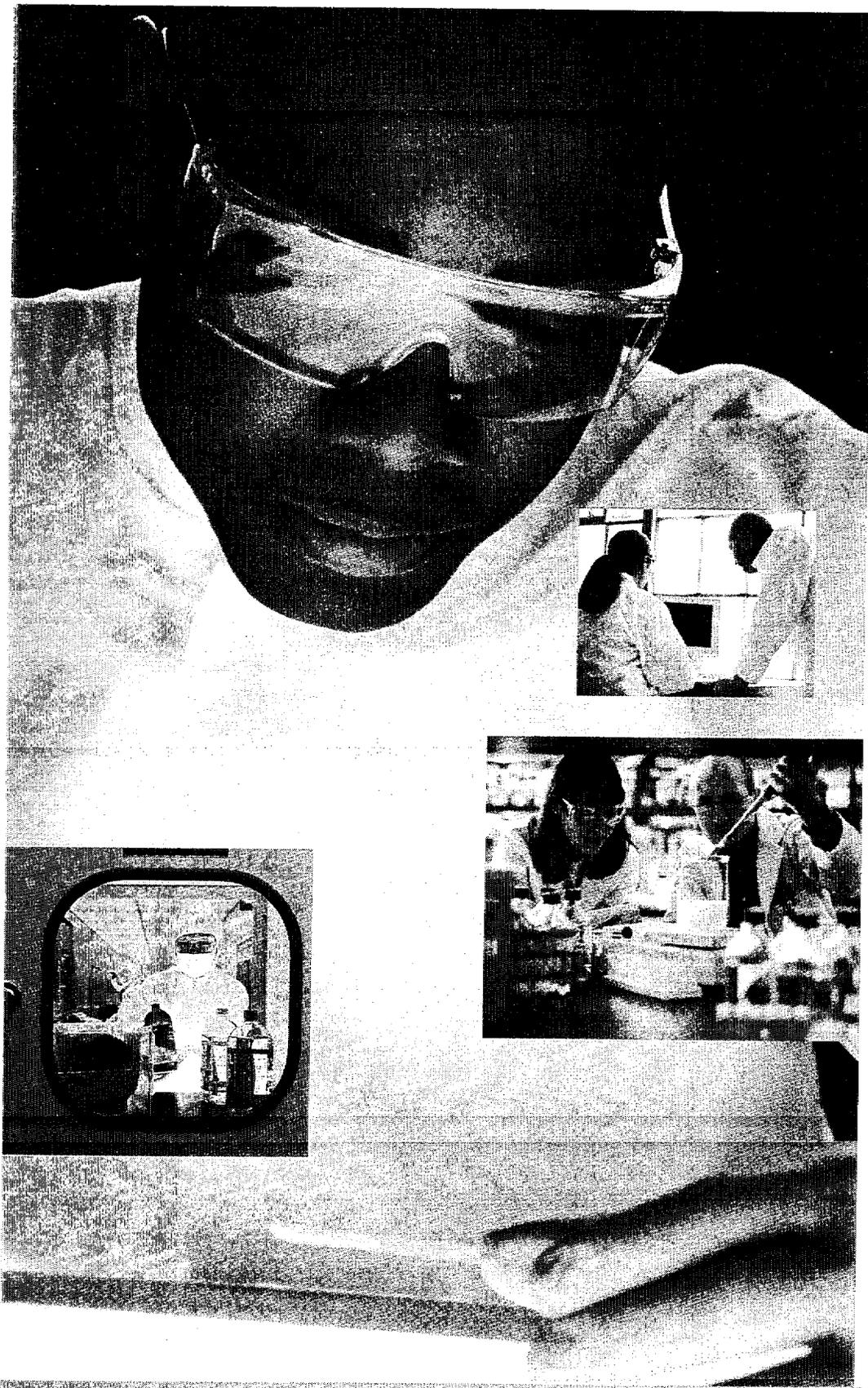
## Achieving Sustainable Growth

#### The Internet

Vistakon U.S. has developed four intranet-based Safety & Industrial Hygiene training modules specifically customized to its needs. Many other operating companies are utilizing e-learning to deliver safety and environmental training more efficiently. At the corporate level, Johnson & Johnson is participating with several other major companies in the development of a computer-based safety training program addressing bloodborne pathogens.

#### Wildlife Interactions

Judy McCluskey was among a select few who graduated from Tulane University with a Masters of Public Health degree in Occupational Health and Safety Management, which was offered totally online. The only time the Johnson & Johnson Safety & Industrial Hygiene manager set foot on the campus was to attend her graduation. Before that, all of her interaction was online.



facturing floor, which means they are more likely to utilize and apply the information to address immediate safety concerns.

## Multiple Safety Initiatives

### Innovation

Two process innovations developed by Johnson & Johnson Consumer Products' engineering group are now providing a safer, more productive and environmentally friendly process for the manufacturing of a wide range of our powder and liquid products. The Razorflex and Recirculatory Batch Processing standard equipment incorporate state-of-the-art machine guarding and engineering controls to prevent airborne particulates. These processes are also quieter than the methods and equipment they are replacing, and they reduce water use and waste generation.

### Flawless Execution

Exceptional machine safety results occurred throughout the Consumer & Personal Care (C&PC) group. The group's safety results were outstanding in 2000 with a lost workday case rate of 0.06, which is half the

The Worldwide Safety & Industrial Hygiene organization applied Six Sigma principles to develop a core competency model for safety professionals at Johnson & Johnson. Using the process excellence analysis method, we defined the technical and business skills that are required for safety managers. These competencies are being incorporated into rigorous training programs for our safety professionals in Europe, the Middle East and Africa. Our goal is to have all safety managers in those regions complete the core competency training by 2003.

corporate target of 0.12 and dramatically outperforms the industry standard of 1.1.

Reducing safety risk over the long term requires the partnership of several safety initiatives. The C&PC group owes its success to:

- A strong operations focus on programs that emphasize standardized execution of key jobs and design features that prevent access to moving parts while the equipment is operating.
- The requirement that all equipment installations apply Safety through Design. This process incorporates guarding, ergonomics and other safety standards into the design stage of a project, leading to efficiency increases, reduced learning curves and safety designed right the first time. The Safety through Design approach avoided guarding costs in excess of \$2 million over the past 5 years.
- The deployment of standard equipment configurations worldwide, which leverages learning across plants, expedites job training and ultimately reduces the risk of injury.
- The creation and deployment of the SanPro ERGO Guidelines, which target ergonomics risks on sanitary protection manufacturing equipment.

## Fleet Safety

Johnson & Johnson's SAFE Fleet initiative is in place worldwide. As a result of this initiative, vehicle-related incidents are trending downward in all regions. In the Latin America/Caribbean region, 18 SAFE Fleet Champions assembled multi-functional teams to disseminate the program to the field quickly and consistently. Despite different cultures, languages and challenges across the region, SAFE Fleet shows clear signs of success: reduced injuries, accidents per million miles (APMM) and percentage of vehicles involved in incidents.

The Latin America/Caribbean region owes much of its success to:

- The new hires admission procedure, which ensures that newly hired employees understand the SAFE Fleet program before they receive the keys to a company vehicle.
- A vehicle maintenance plan that guides drivers to keep their vehicles operating smoothly and safely.
- Behind-the-wheel training, which has been completed by 95 percent of the drivers.
- A high-risk driver early detection system that helps detect drivers who have the potential to drive in ways that can lead to accidents.

These actions, strong involvement by senior management and tireless work by the operating company

Champions are the key contributors to this consistent improvement.

## Flawless Execution

In the United States, Ortho-Clinical Diagnostics (OCD) is demonstrating the positive impact of the SAFE Fleet program. With 362 employees driving nearly 10 million total miles per year, OCD's sales, service and marketing associates spend a substantial amount of time in a high-risk workplace—their vehicles. As a result of SAFE Fleet, the APMM at OCD has declined from 4.48 to 2.21 in the 2-year period from 1999 to 2000. This 50 percent reduction in accidents makes a significant impact on the safety and health of OCD employees. The company attributes its success to these actions:

- Tony Zezzo, OCD Vice President of Clinical Sales and Champion of the OCD SAFE Fleet Team, consistently communicates clear SAFE Fleet goals, supported by district management.
- Members of the SAFE Fleet Team take on responsibilities in key areas, such as reducing high-risk driving, training new hires, recognizing successes and appointing Field Safety Coordinators.
- Every OCD driver involved in an accident is asked to participate in the next month's SAFE Fleet meeting to discuss contributing factors and preventive strategies.

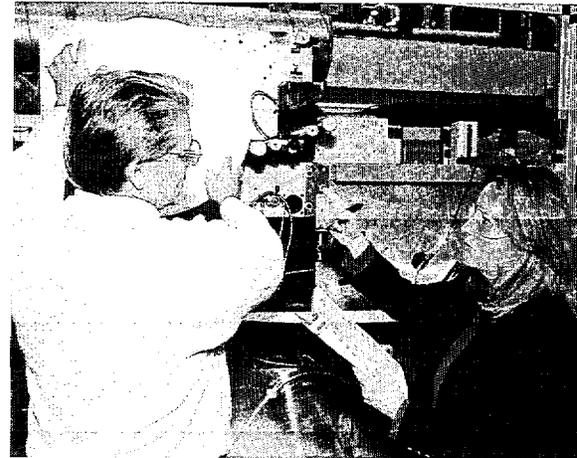
## Achieving Sustainable Growth

### Flawless Execution

Johnson & Johnson actively supports the New Jersey chapter of Prevent Blindness, a national health and safety organization. In 2000, the national organization presented an award to Prevent Blindness New Jersey recognizing the chapter's Eye Health & Safety Calendar as the best public relations project in the entire Prevent Blindness America system.

**“Fitting the job to the person”** is the challenge to all Johnson & Johnson locations around the world. Marly Costa, Staff Ergonomist, has embraced this challenge for 10 years.

**H**aving developed and implemented ergonomics programs across Johnson & Johnson (Latin America, North America and Asia/Pacific), Marly believes the key to success in ergonomics is involving people. From top management to the hourly employee, all Johnson & Johnson associates participate —by providing the ergonomics program budget, designing new equipment, ensuring job rotation, modifying the workstation, performing the job correctly or doing prescribed exercises. Marly includes everyone when guiding facilities to identify and prioritize ergonomics risk. She has led two particularly innovative approaches to increasing ergonomics awareness: the Ergo Shop and the SanPro ERGO Guidelines.



The Ergo Shop, located at Johnson & Johnson Consumer Products Company's campus in Skillman, New Jersey, U.S., has office ergonomics items available for employees to test before they order, expediting the implementation of office ergonomics at a complex site.

An international team of safety professionals and engineers developed the SanPro ERGO Guidelines. These guidelines establish basic requirements for the design and operation of the complex equipment used at our facilities around the world to produce sanitary products. The guidelines also include ergonomics specifications for vendors who supply and service these machines.



Manufacturing Sites  
Completed Ten Years  
Without a Lost Workday

## Safety & Industrial Hygiene Worldwide Results

**DePuy Orthopaedics**  
North Brunswick, New Jersey, U.S.

**Janssen-Cilag Korea, Ltd.**  
Kyung Gi-Do, Korea

**Janssen-Cilag Pharmaceuticals**  
Mumbai, India

**Johnson & Johnson Hellas S.A.**  
Mandra-Attica, Greece

**Johnson & Johnson Korea, Ltd.**  
Cheongju, Korea

**Johnson & Johnson  
Professional Products**  
Aurangabad, India

**Johnson & Johnson  
Professional Products**  
Mumbai, India

**Johnson & Johnson Thailand**  
Chalong Khung, Thailand

**LifeScan, Inc.**  
Cabo Rojo, Puerto Rico

**Ortho Biotech, Inc.**  
Manati, Puerto Rico

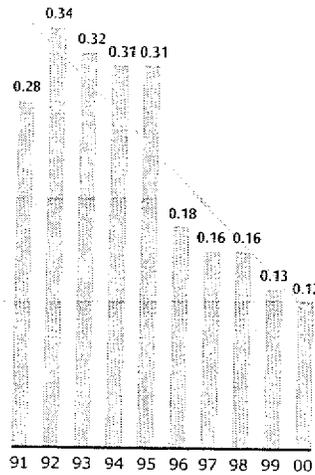
The following organizations have  
received donations from the  
Safety & Industrial Hygiene Society

*Prevent Blindness America*

*National Safety Council*

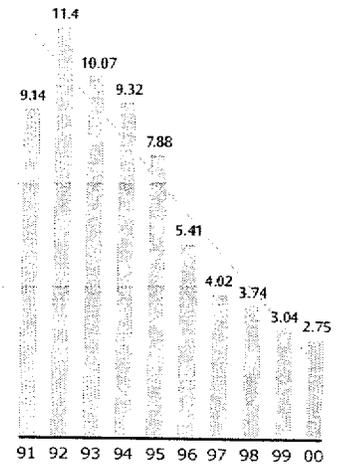
*New Jersey Safety Council*

**FIGURE 1**  
Lost Workday Case Rate  
1991-2000  
Lost Workday Cases per 100 Employees



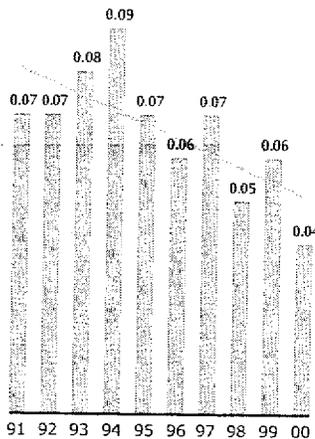
Achievement: 57% reduction 1991-2000

**FIGURE 2**  
Severity Rate  
1991-2000  
Lost Workdays per 100 Employees



Achievement: 70% reduction 1991-2000

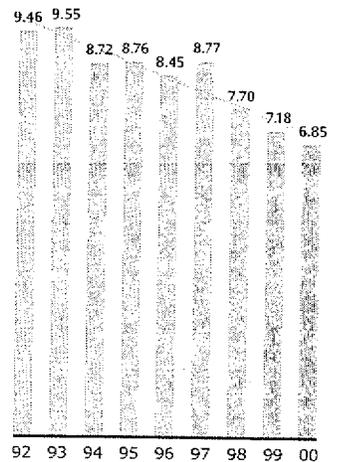
**FIGURE 3**  
Serious Injury/Illness Rates  
1991-2000  
Serious Injury/Illness per 100 Employees



Achievement: 43% reduction 1991-2000

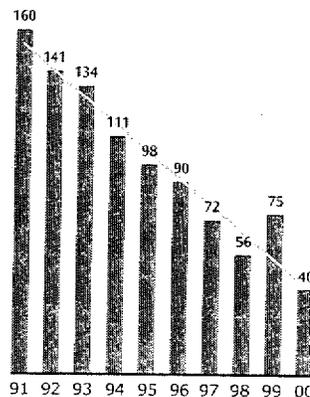
Serious Injury/Illness cases include fatalities, amputations, fractures and hospitalizations.

**FIGURE 4**  
Fleet Rates 1992-2000  
Accidents per Million Miles



Achievement: 28% reduction 1992-2000

**FIGURE 5**  
Fires 1991-2000  
Number of Fires



Achievement: 75% reduction 1991-2000

TREND LINE



- Accident trends are communicated to the entire field by e-mail, increasing awareness of driving situations to avoid and skills to use when those situations are unavoidable.

## Management System Improvements

### Process Excellence

Green Belt projects, using Six Sigma processes, target improvements in the Management Awareness and Action Review System's (MAARS) performance process. Joe Van Houten, Ph.D., of Worldwide Safety & Industrial Hygiene is leading a project aimed at improving the completeness and accuracy of the self-assessments by the operating companies. A second project, led by Al Iannuzzi, Ph.D., of Worldwide Environmental Affairs, has a goal to improve the use of the MAARS Management Action Plans (MAPs) as business tools. Process Excellence offers an exciting opportunity to reduce variability and streamline work processes, driving results that advance health, safety and environmental goals worldwide. The MAPs now in place at every facility are roadmaps to Process Excellence projects, which when combined with Process Excellence tools, will be invaluable in accomplishing our *Beyond Compliance* strategy.



### Effortless Execution

Johnson & Johnson's SAFE Fleet project team produced a video to make people driving company vehicles more aware of what constitutes high-risk driving. Comprised largely of an interview with racecar driver Michael Waltrip, the video won an Award of Distinction from The Communicator Awards 2000, a national awards program that recognizes outstanding achievements in safety and other communications areas.

## Economic Performance

Johnson & Johnson is comprised of 194 operating companies throughout the world, which provide jobs and support local economic growth. Johnson & Johnson has posted more than 50 years of consecutive sales growth. We recognize that investment is essential to innovation and continued excellence in performance, and to that end we invested \$2.9 billion on research and development in 2000. That figure is expected to grow to \$3.3 billion during 2001.

Detailed information on Johnson & Johnson's financial performance is available in our Annual Report, which can be accessed at [www.jnj.com](http://www.jnj.com).

### Community Involvement

Our Credo commitment to the communities in which we live and work is best illustrated by the following examples:

#### *The Nature Conservancy Sponsorship*

#### Innovation

Beginning in the early 1990s, Johnson & Johnson initiated a conservation and community health program in Latin America with The Nature Conservancy (TNC). The program has grown into a broader community-based conservation partnership with TNC, through which we have supported projects in Brazil, Mexico, Colombia and Peru. These projects are all based on protecting critical ecological reserves and biodiversity through investments in community health.

Some of the current projects that TNC and its South American partners are undertaking with Johnson & Johnson's support include:

- developing conservation and resource management practices in



Peru's Amazon basin that encourage sustainable resource use while promoting the health and economic well-being of local residents

- addressing public health and educational needs within the context of conserving Atlantic rainforest ecosystems in fishing villages on Ilha Rasa, an island in coastal Southeast Brazil
- promoting long-term community health in the Yucatan region of Mexico while utilizing and strengthening Mayan cultural foundations in the face of rapid development

### Corporate Philanthropy

In 2000, the Johnson & Johnson Contributions Program continued to grow. We contributed \$218 million in cash and products, working with hundreds of non-profit organizations worldwide. A large percentage of the contributions addressed the areas of health and medicine, especially targeting those programs that help mothers and children.

#### Flawless Execution

Health & Wellness professionals at Johnson & Johnson locations throughout the United States are involved in numerous community-based events that raise money and awareness for health-related issues. As just one example, LifeScan in Milpitas, California, U.S., sponsored the Walk for AIDS in October 2000, in which 3500 people participated. Agencies that received funds from the walk reach an estimated 30,000 people annually with education and information and more than 5000 through direct services.



### Achieving Sustainable Growth



**Flawless Execution**

Health & Wellness professionals strongly support volunteerism and participate in many other initiatives. At the Health & Wellness National Meeting in May 2000, a session was devoted to the importance of involvement in community activities and helping others. A video highlighting recent volunteer efforts was created and shared at the meeting.

**World Wildlife Fund Sponsorship**

**Innovation**

Johnson & Johnson has had a strong relationship with the World Wildlife Fund (WWF) for a number of years, with Robert Wilson, Senior Vice Chairman of Johnson & Johnson, having served on the Board of Trustees and now as a member of the WWF National Council. For the past four years, Johnson & Johnson has partnered with the WWF to reduce the demand for traditional Chinese medicines derived from endangered species, particularly tigers and rhinos. The efforts have focused on partnering with the Chinese government and traditional medical practitioners in the Asia/Pacific region. Education and outreach to the Chinese-American community also has been critical to reduce the significant demand for traditional Chinese medicines in the United States.

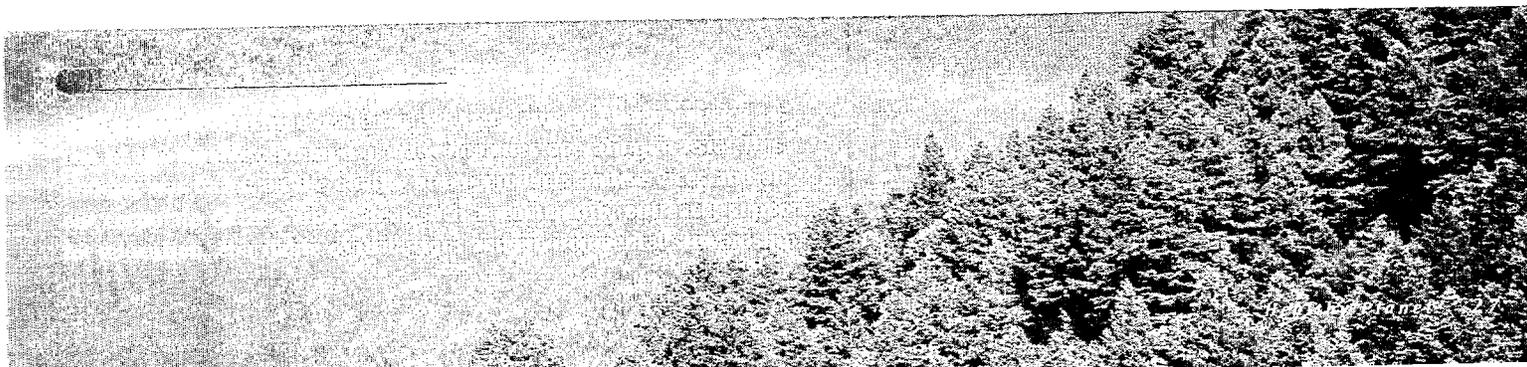
Some other major events supported by Johnson & Johnson Health & Wellness and our operating companies across the United States include:

- Race for the Cure and Lee Denim Day, The Susan G. Komen Foundation (breast cancer)
- Walk America and Basketball Tournament, March of Dimes
- Making Strides Against Breast Cancer and Relay for Life, American Cancer Society
- Tylenol Sports Challenge, Cystic Fibrosis Foundation
- American Heart Walk, American Heart Association
- Juvenile Diabetes Walk, Juvenile Diabetes Association
- MS 150, Multiple Sclerosis Foundation
- Walk to Cure Diabetes, The Diabetes Foundation
- Tour de Cure, American Diabetes Association
- Jingle Bell Run, Arthritis Foundation



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*This corporate environmental, health and safety report is a significant vehicle for promoting dialogue with our stakeholders. We invite your comments and feedback via our Web site [www.jnj.com](http://www.jnj.com) or using the comment card provided in this report.*





## Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

*Johnson & Johnson*

One Johnson & Johnson Plaza  
New Brunswick, New Jersey 08933

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January 18, 2002

**VIA FEDERAL EXPRESS**

Office of the Chief Counsel  
Division of Corporate Finance  
Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, D.C. 20549

TO: SEC  
FROM: J&J  
DATE: 1/18/02

**RE: JOHNSON & JOHNSON SHAREOWNER PROPOSAL ON "CERES PRINCIPLES"  
(Securities Exchange Act of 1934 - Rule 14a-8)**

Dear Ladies and Gentlemen:

Reference is made to the letter dated December 21, 2001 submitted by Johnson & Johnson in connection with a shareowner proposal received from Harrington Investments.

As indicated on the attached letter, the shareowner proponent has withdrawn the proposal.

Accordingly, we are withdrawing our no-action letter request.

Sincerely,

Michael H. Ullmann

lap/Attachment  
cc: Mr. J. Harrington, Harrington Investments



January 16, 2002

Michael Ullmann  
Corporate Secretary  
One Johnson & Johnson Plaza  
New Brunswick, NJ 08933

Fax: (732) 524-2185

Dear Michael:

I am pleased to receive your letter of January 17, 2002, in which you state that Johnson & Johnson has committed Karl Schmidt, V.P. of Worldwide Environmental Affairs, or one his direct staff, to attend the CERES conference this April in Washington, D.C.

I also understand that you have agreed to continue a stakeholder dialogue between Johnson & Johnson and CERES in which both parties will discuss environmental reporting and the CERES coalition.

Based on these commitments, I am happy to withdraw the shareholder proposal submitted for inclusion in the company's 2002 proxy materials.

Sincerely,

A handwritten signature in black ink, appearing to read "John Harrington", is written over the word "Sincerely,". The signature is fluid and cursive.

John Harrington  
President

Cc: Chief Counsel, Office of Corporate Finance, The Securities & Exchange Commission  
Alana Smith, Harrington Investments, Inc.  
Dan Bakal, CERES  
Ariane Van Buren, ICCR