

# Climate Change Management

## *A Johnson & Johnson Perspective*

Air & Waste Management Association

Climate Change 360 Conference

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McNeil Consumer Healthcare

Regional EH&S



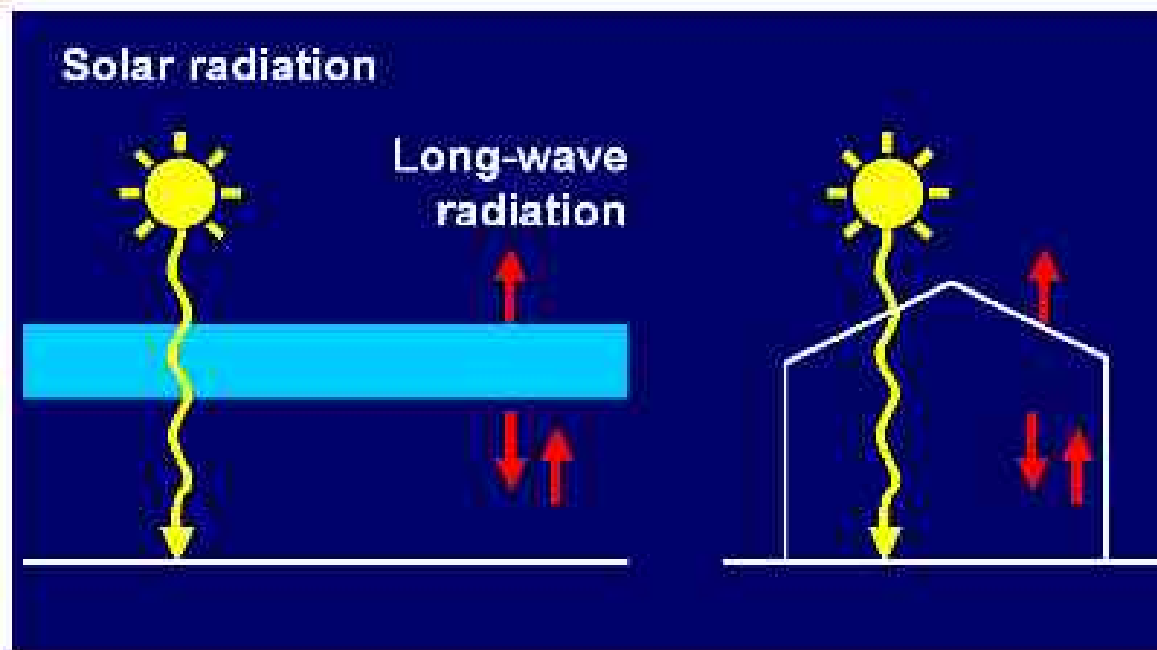
# A Johnson & Johnson Perspective

- Framing in Climate Change
- Background
  - Johnson & Johnson
  - McNeil Consumer Healthcare
- Manufacturing Sustainability
  - Managing & driving change through infrastructure improvement



# Framing in Climate Change

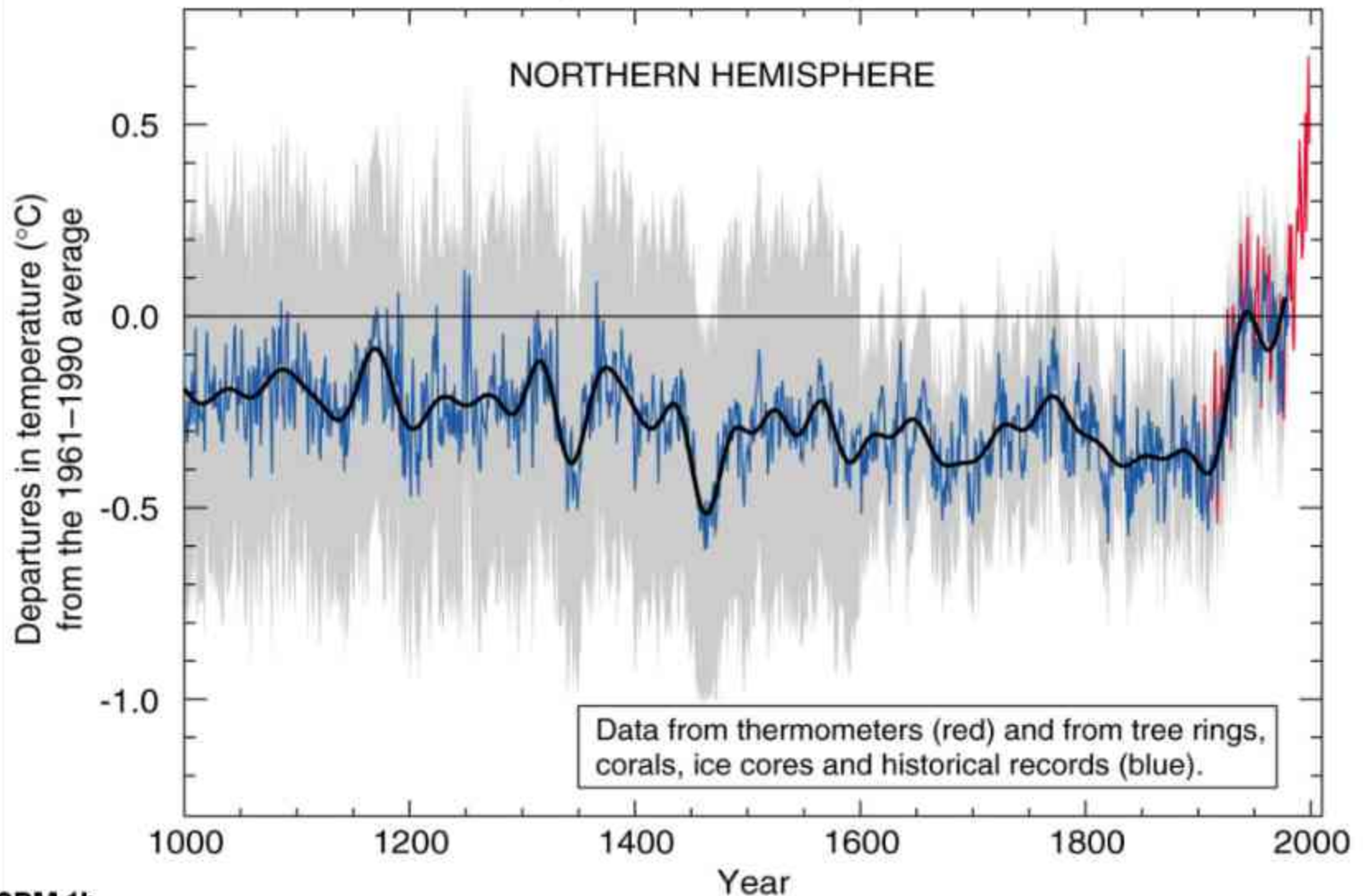
- Audience Participation!
  - CO<sub>2</sub> plays what role in the climate change issue?
  - Is the Arctic really melting?
  - Ozone – is there really a hole?
  - What does SMOG have to do with anything?



**Figure 3.** Illustrating the Greenhouse Effect.

Fig 3 illustrates solar radiation traveling through the atmosphere on its way to warm the earth's surface. This incoming energy is balanced by infrared radiation leaving the surface. On its way out through the atmosphere, this infra red is absorbed by greenhouse gases - water vapour, carbon dioxide and methane are the principal ones – that act as a blanket over the earth's surface keeping it warmer. Increasing the amount of these gases increases the greenhouse effect and so increases the average temperature of the earth's surface.

# Variations of the Earth's surface temperature for the past 1,000 years



SPM 1b

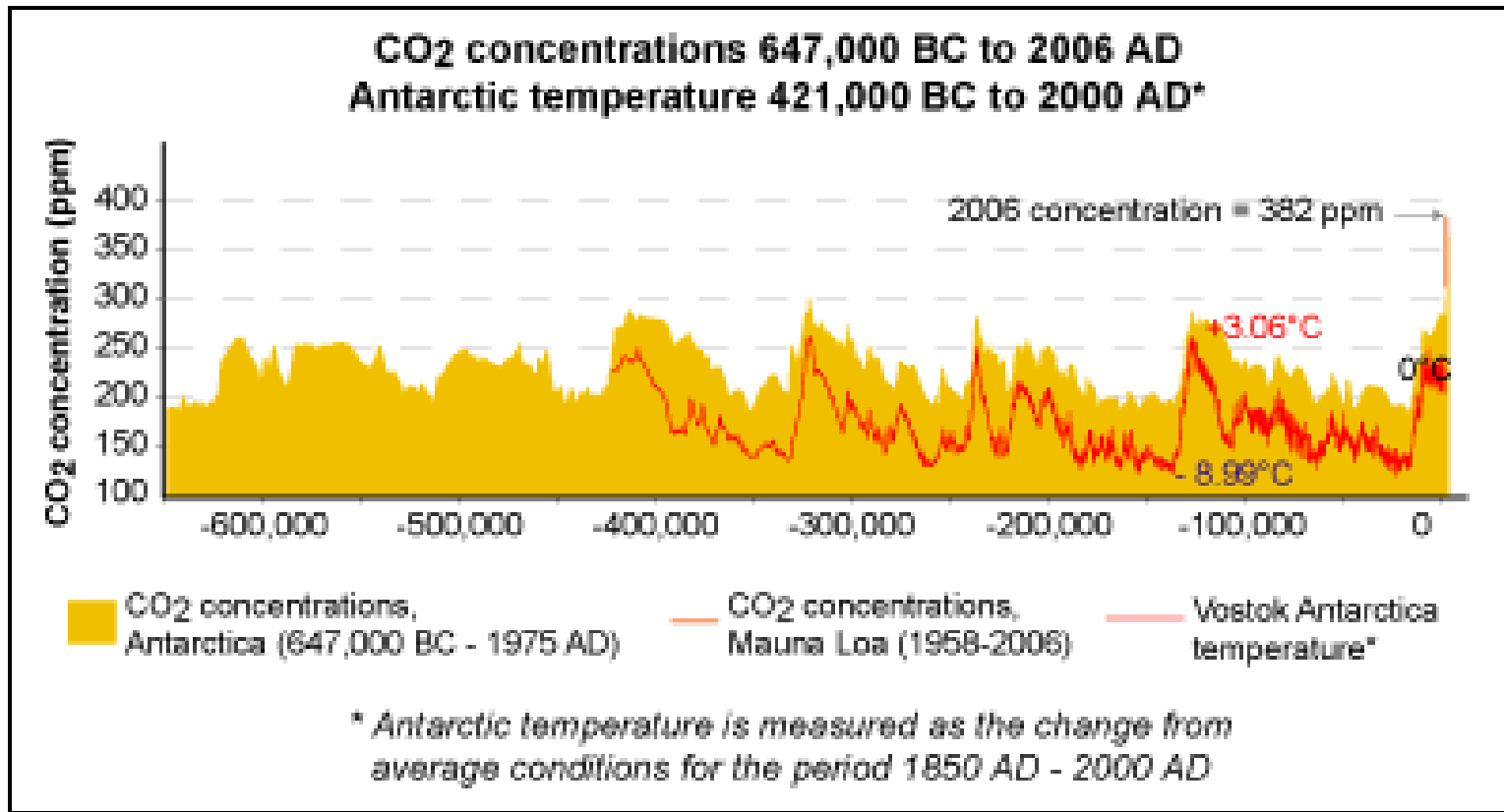


Figure 1: Fluctuations in temperature (red line) and in the atmospheric concentration of carbon dioxide (yellow) over the past 649,000 years. The vertical red bar at the end is the increase in atmospheric carbon dioxide levels over the past two centuries and before 2007. Click on thumbnail for a full-size image and references.



# Johnson & Johnson

was founded more than 120 years ago on a revolutionary idea: Doctors and nurses should use sterile sutures, dressings and bandages to treat peoples' wounds.



# Our Credo Values

The values that guide our decision making are spelled out in Our Credo. Put simply, Our Credo challenges us to put the needs and well-being of the people we serve *first*.



# McNeil Consumer Healthcare

- The company was founded in 1879 by 23 year old Robert McNeil
  - Drug store in Kensington section of Phila
- Purchased by J&J in 1959
- Tylenol established as OTC in 1960
  - Switch drug expertise unique to MCHC
- Relocated to Ft. Washington, Pa in 1961
- 1977: formed 2 companies
  - OTC & Ethical

# A Transition Over Time

- Environmental Goals: traditional measures
  - Water, wastewater, solid/hazardous wastes, air emissions, energy usage
- Sustainability Measures
  - Social Responsibility balanced with Process Efficiency
  - Biodiversity, CO2, Alternative energy
  - Transparency, literacy
  - Kyoto Protocol
- Sustainable Products
  - Communicating accomplishments
  - Footprint analysis
  - Scorecard



*The ability to provide for the needs of the world's current population without damaging the ability of future generations to provide for themselves.*



Financial performance

Accounting

Corporate governance

Human rights / labor issues

Ethical conduct

**Environmental performance**

Stakeholder engagement

Talent management

Marketing practices

Responsible lobbying/public policy

Occupational health & safety

Risk & crisis management



*Healthy People, Healthy Planet, Healthy Business*

Healthy Planet

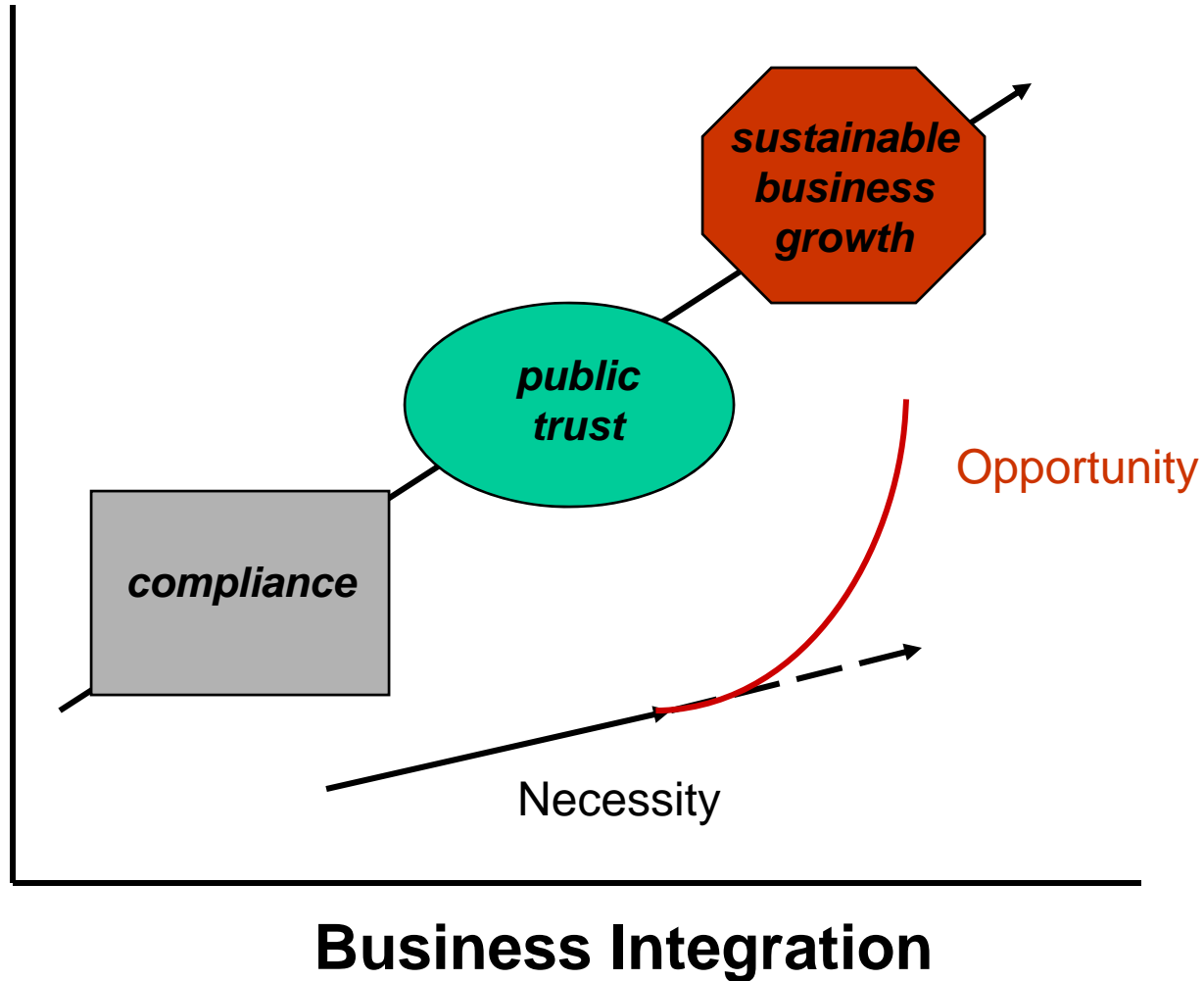
Sustainability Practices

2010 Goals

*Healthy  
People  
Healthy Planet*  
Johnson & Johnson



# Business Value



# DEVELOPING A SUSTAINABLE CULTURE

## 1990 Pollution Prevention Goals

## 2001 Next Generation Goals

## 2006 Healthy Planet 2010 Goals

- **COMPLIANCE**

Zero releases, violations, permit exceedances

- **ENVIRONMENTAL LITERACY**

Increased employee environmental literacy

- **BIODIVERSITY**

Enhanced biodiversity conservation

- **TRANSPARENCY**

Share facility specific sustainability information publicly

- **PRODUCT STEWARDSHIP**

Improved environmental profile of products; take-back programs for electronic equipment

- **WATER USE**

10 percent absolute reduction over 2005 levels

- **PAPER AND PACKAGING**

Increased sourcing of paper and packaging from certified forests or increased recycled content; franchise goals for eliminating polyvinyl chloride (PVC)

- **CARBON DIOXIDE REDUCTION**

7 percent absolute reduction over 1990 levels for stationary sources; 30 percent reduction in emissions per kilometer for fleet vehicles compared to 2003 levels

- **WASTE REDUCTION**

10 percent absolute reduction over 2005 levels for both nonhazardous and hazardous waste

- **EXTERNAL MANUFACTURING**

New operating standards deployed and conformance measured

# Measuring Our Progress

	5 Yr. Goal %	Results %	Status	Business Benefits
Water	10	14 ✓	Exceeded	\$9MM
Non-Hazardous Waste	10	14 ✓	Exceeded	\$77MM
Hazardous Waste	5	27 ✓	Exceeded	\$47MM*
Toxic Waste	5	24 ✓	Exceeded	*Included above
CO <sub>2</sub> (Absolute Reduction)	4	11.5 ✓	Exceeded	\$172MM
Raw Materials	5	7 ✓	Exceeded	\$262MM
Packaging	10	8	Strong Progress	\$163MM
Ext Mfg. Assessments	100	93	Strong Progress	Risk Reduction
ISO 14001	100	96	Strong Progress	Risk Reduction
Design for Environment	100	100 ✓	Achieved	Risk Reduction
Com Outreach/Forum	100	96/91	Strong Progress	Reputation



		2007	2007 Goal	Status
Safety	Reduce Lost Workday Case Rate	0.08	0.07	Missed / Benchmark
	Reduce Serious Injuries and Illness Case Rate	0.024 ✓	0.035	Achieved
	Reduce Fleet – Accidents per Million Miles	5.30	5.0	Missed / Benchmark
Environment	Reduce Env Noncompliance/Spills	34 ✓	Less 2006 of 40	Achieved
	Reduce Haz/NonHaz/Water	-4% / -10% / -6%	-10% by 2010	Progress
	Reduce CO2 Emissions	-12.7% ✓	-7%	Achieved
	EHS - Reduce EM Risks (Communicate&Contract/Risk Assessment/Audits)	82%/71%/19%	100% by 2010	Progress
	Improve Recycled/Certified Office Paper/ Paper Pkg	83% / 93%	90% / 75% by 2010	Progress
	Improve Environmental Profile of Products/PVC	Progress / Progress	Plans in place / Progress	Progress
	Take Back Electronic Products	Plans in Place	Plans in place	Progress
	Conserve Biodiversity	Plans in Place	Plans in place	Progress
	Improve Employee Awareness (Literacy)	92% ✓	90% sites w/literacy module	Achieved
	Report Site Level Performance (Transparency)	66%	100% site level reports	Missed
Health	Global Culture of Health	94% ✓	75% of company w/ 4 offerings	Achieved
	Health People Global	82% ✓	65% assessed with low risk	Achieved
	Health People US	78% ✓	65% assessed with low risk	Achieved

# The power of scale for J&J employees to create positive impact on the environment



VS.





The installation of the solar hot water system on the roof of McNeil creates enough energy to save...

**...\$8,500 in energy costs for McNeil**

# Partnership for the Delaware Estuary

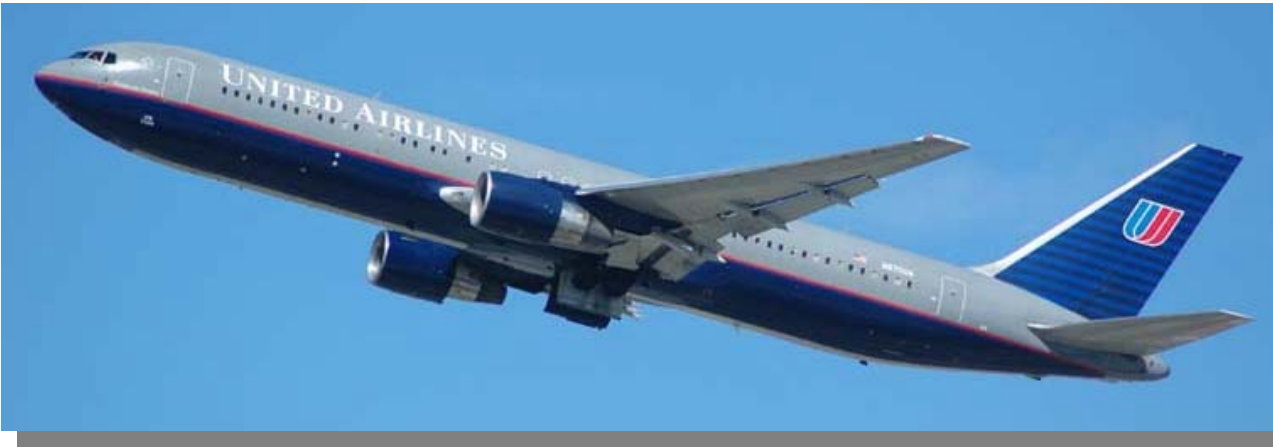
- Land Restoration
- Wetlands Creation

## McNeil Meadows Project

24 acres converted to native plant gardens at the headquarters campus.



Workers from McNeil volunteer to assist Whitmarsh Township in converting Township land to native plant gardens.



J&J has ~55M employees in the US, many traveling for their jobs, if we used technology to offset just one cross country trip for 10% of them next year we would save...

**...5,500 tons of CO<sub>2</sub>, enough to take over 1,800 cars off the road.**

# Questions