

Supplier  
Sustainability  
Toolkit

*A Guide for Suppliers:  
The Johnson & Johnson Sustainable  
Procurement Program*

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# Supplier Sustainability Toolkit

## Section 1 Introduction

# Disclaimer

The Supplier Sustainability Toolkit is intended solely to provide general guidance on matters of interest only and does not constitute professional advice. You should not act upon the information contained in this Toolkit without obtaining specific professional advice. Johnson & Johnson will use reasonable efforts to include up-to-date and accurate information in this Toolkit, but makes no representations, warranties, or assurances as to the accuracy, currency, or completeness of the information provided.

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# 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.

# A Letter to Our Suppliers

“Health is not a privilege;  
it’s a basic human right.”

Alex Gorsky, Chairman of the Board and  
Chief Executive Officer, Johnson & Johnson

Dear Valued Supplier,

The Johnson & Johnson Family of Companies holds itself to high standards and these, along with our management philosophy, are embodied in Our Credo. Our Responsibility Standards for Suppliers reflect our internal values and the expectations of external stakeholders, such as customers, regulators, investors and the public. Furthermore, we find business relationships are more productive and effective when they are built on trust, mutual respect and common values.

In 2016 we launched our Health for Humanity 2020 Goals and committed to collaborate with our suppliers to accelerate environmental and social improvements across the value chain. Achieving our Health for Humanity 2020 Goals is integral to our long-term success and encourages greater integration and increased transparency across our supply base to collectively drive impact.

Our goal is to enroll suppliers covering 80% of our spend in our Sustainable Procurement Program by 2020. This guide provides you, our suppliers, with the tools and understanding to actively participate. We put great trust in our suppliers and ask for maximum transparency.

Whether you are a supplier early in your sustainability journey or an industry leader we ask all suppliers to review the material within this document, apply it, practice it and then pay it forward. As a global company with more than 230 operating companies in 60 countries with approximately 80,000 suppliers, we have the opportunity to expand healthier practices that contribute to the improved health of people and communities around the globe. If each supplier takes this message to its suppliers, think of the impact we can have together.

Businesses like ours must help to create societies, and our Health for Humanity 2020 Goals will play a significant role in fulfilling our obligations.

Thank you in advance and we look forward to our continued partnership.

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Section 2  
Sustainability at Johnson & Johnson

# What is Sustainability?

Sustainability encompasses a range of environmental, social and economic topics. These topics, also referred to as “People, Planet, Profit” or “the triple bottom line,” can be applied to companies in all sectors, from research to manufacturing to services.

Corporate Social Responsibility (CSR), Environmental, Social and Governance (ESG) measures, Corporate Sustainability, Sustainable Business, Corporate Citizenship are other terms all used widely to describe similar programs, initiatives and actions. We encourage suppliers to use the term that resonates best with its organization. At Johnson & Johnson we use the terms Citizenship & Sustainability to define our aspiration to improve health in everything we do.

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Brundtland Commission, 1987

## Delivering Benefits

Academic research, business experience and choices by the investment community show the importance of sustainability in business strategy.

Some benefits seen at J&J:

- Cost savings through efficiency.
- Improving risk management.
- Driving innovation.
- Growing customer loyalty and brand position.
- Employee recruitment and engagement.

## Who to Engage

Sustainability is relevant around the world for governments, businesses, industries and civil society.

While different topics are relevant to different groups in different geographies and cultures, broad examples exist. This includes the [Sustainable Development Goals](#) (SDGs), which launched in 2015 to guide progress in global development towards 2030.

# Sustainability & Citizenship at Johnson & Johnson

## Defining Sustainability at J&J

For 130 years, Johnson & Johnson has been helping people live longer, happier, healthier lives. Written 75 years ago, Our Credo guides our sense of responsibility in everything we do. It outlines our commitments to the people, places and communities we touch every day with our products and services and drives all our citizenship and sustainability efforts.

## Sustainability Reporting at J&J

Since 2003, Johnson & Johnson has published an annual sustainability report. We have reported on environmental progress since 1993, with baseline data from as far back as 1990.

Our current Health for Humanity Report, presenting our significant social, environmental and economic activities can be found at [healthforhumanityreport.jnj.com](http://healthforhumanityreport.jnj.com).

Our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services.

We are responsible to our employees.

We are responsible to the communities in which we live and work and the world community as well.

We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

When we operate according to these principles, the stockholders should realize a fair return.

### 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 these 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. We men and women who work with us throughout the world. Everyone must be considered 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 — accept 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 first 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. Resources must be invested to provide for shorter times. When we operate according to these principles, the stockholders should realize a fair return.

Johnson & Johnson



# Johnson & Johnson's Commitment to 2020

We launched our [Health for Humanity 2020 Goals](#) to create a new vision of health – a vision that seeks new ways to make everyone, everywhere healthier. Our 2020 Goals replace our Healthy Future 2015 Goals that were the first set of environmental, social and governance measures we delivered across our global enterprise.

## Delivering Health for Humanity

### People

Includes topics like our Global Public Health Strategy, our commitments to fight antimicrobial resistance, global access to medicines and progress toward our employee wellness and satisfaction.

### Places

Covers our carbon reduction and renewable energy targets, efforts to drive growth in recycling programs and reducing impact on water resources amongst others.

### Practices

Ensures we deliver world-class quality, safety and reliability. Drive forward innovation and uphold our standards with all our partners on areas like human rights and anti-corruption. This section includes our Sustainable Procurement Program.

*Johnson & Johnson* HEALTH FOR HUMANITY **2020 GOALS**

#### PEOPLE

We'll help people be healthier by providing better access and care in more places around the world.

#### PLACES

We'll make the places we live, work and play healthier by using fewer and smarter resources.

#### PRACTICES

We'll team up with partners and employees to create a culture of health and well-being.

# Engaging Our Suppliers

With over 80,000 suppliers around the world and a procurement spend of more than \$29 billion, Johnson & Johnson can drive enormous positive impact through our Health for Humanity initiatives.

## Our Public Goal

Collaborate with our suppliers to accelerate environmental and social improvements across the value chain.

## Our Public Target

**Enroll suppliers covering 80%  
of our spend in our Sustainable  
Procurement Program.**



## Practices

*We'll engage with our  
suppliers as part  
of the solution.*

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Section 3  
Our Sustainable Procurement Program

# Participating in Our Program

As a supplier to Johnson & Johnson, you are expected to conform to our [Responsibility Standards for Suppliers](#). We assess conformance to these standards using the globally recognized [EcoVadis](#) platform. All suppliers are expected to complete an EcoVadis assessment upon enrolment to our program and continue to drive improvements in their score over time.

Additionally our category teams set one, or more, additional goals for the suppliers who are enrolled:

- Publicly report 2 or more sustainability goals and track progress over time,
- Participate annually in CDP Supply Chain reporting,
- Achieve a minimum standard in EcoVadis, public reporting or CDP as a High Performer,
- Achieve industry specific goals, for example gaining certain certification, specific public reporting or delivering social projects.



# Conformance: Responsibility Standards for Suppliers

Johnson & Johnson holds itself to high standards and these along with our management philosophy are embodied in Our Credo. Our [Responsibility Standards for Suppliers](#) reflect our internal values and the expectations of external stakeholders, such as customers, regulators, investors and the public. We find business relationships are more productive and effective when they are built on trust, mutual respect and common values.



## Shared Common Commitments

1. Comply with applicable laws and regulations,
2. Behave ethically and with integrity,
3. Integrate quality into business processes,
4. Respect human and employment rights,
5. Promote the safety, health and well-being of employees,
6. Embrace sustainability and operate in an environmentally responsible manner,
7. Implement management systems to maintain business continuity, performance governance and continuous improvement,
8. Disclose information associated with the supplier's impact on the environment and social issues.

## EcoVadis Assessments

Our suppliers demonstrate conformance to our Responsibility Standards for Suppliers by completing an [EcoVadis Assessment](#). EcoVadis is a global platform providing Supplier Sustainability Ratings for companies. Its assessment methodology covers the commitments in our standards, including environment, fair labor practices, ethics/fair business practices, and supply chain.

Suppliers are notified by their Supplier Relationship Manager when J&J requests an assessment and we expect the right contacts at our suppliers to complete the assessment fully and promptly. The [EcoVadis Team](#) guide suppliers through the assessment process and offer help and advice. The results, along with opportunity areas and action plans are shared with J&J to help us understand supplier capabilities and compliance.

# Transparency: Public Sustainability Goals

We expect suppliers to embrace sustainability, disclose information associated with their impact on the environment and society and implement processes for continuous improvement. By setting company goals, and publicly showing progress towards them, perhaps through an annual report or website, a supplier shows transparency in their practices.

If this is identified as a target goal, or if a supplier chooses to begin publicly reporting goals, suppliers are expected to report and provide evidence of a minimum of 2 specific, measurable and time-bound goals in the below goal areas.

## Goal Areas

### Environment

- Energy reduction
- Waste reduction
- Water use reduction

### Social

- Workforce injury/illness reduction
- Workforce wellness
- Community investment

### Suppliers & Supply Chain

- Suppliers standards and policies
- Supplier engagement/improvement programs

## Choosing an Area of Focus

Suppliers have a great deal of flexibility; J&J doesn't require suppliers to track and report on specified metrics. Instead, suppliers should choose goals and metrics that align with, and are material to, their business goals. Most importantly, goals should be accurately measured, tracked, and reported.

## Ideas and Further Guidance

The appendix of this document contains an extensive list of example goals that relate to the eight goals areas listed opposite.

# Disclosure to Action: CDP

Johnson & Johnson knows that environmental factors can negatively affect human health. We partner with suppliers to manage those environmental impacts, improve water stewardship and reduce deforestation through the internationally recognized CDP processes.

Climate change, water scarcity and deforestation are global challenges that require a systematic change in market behavior. To enable this, [CDP](#) runs the global disclosure system that allows entities like companies or cities to measure and report their environmental impact. It has become the gold standard of environmental disclosure methodology and hosts the largest repository of self-reported environmental data in the world.



## J&J's CDP Supply Chain Program

J&J suppliers are notified by their relationship manager when they are being asked to disclose. A number of factors make up our choice including supplier significance, contribution to specific customer businesses or risk. Suppliers are also requested by other customers and/or the investment community.

CDP guides suppliers through registration and disclosure and the supplier completes once on behalf of all customers who are requesting. Help can be found at the CDP website or [support@cdp.net](mailto:support@cdp.net).

## Why Should Suppliers Disclose?

Suppliers do not pay to disclose at J&J's request, but significant benefits come from disclosure including;

- Cost savings from identified efficiency gains
- One questionnaire for all customers
- Improves J&J's understanding of our total global footprint
- Supports a positive change in market behavior towards environmental transparency
- Drives collaboration and innovation on significant environmental challenges

# Sustainability Excellence: High Performers

With over 80,000 suppliers around the globe, in numerous sectors and industries spanning hundreds of countries and regions, we have a lot of diversity in our supplier base. This diversity means that our suppliers are at different stages of understanding environmental and social issues and working on improvements to their impact.

For suppliers who are more advanced in their understanding and work, we have goals that push continuous improvements towards industry-benchmarked high levels at a supplier. J&J category managers identify suppliers who they believe should, and expect to, meet high standards in one of three areas below and coach them towards this goal. It is important for suppliers who have this goal to work closely with their relationship manager to ensure it is met.



## EcoVadis High Performer

A supplier should demonstrate excellence by having a total EcoVadis score of 45 or above.

## Public Goal High Performer

A supplier should have 2 or more public goals in all 3 focus areas:

- Environmental
- Social
- Suppliers & Supply Chain

## CDP High Performer

A supplier should get a disclosure score in the Leadership A band.

# Industry Leadership: Category Specific Goals

Given Johnson & Johnson's diverse supply base, we have flexibility in our program to ensure that we can adapt to industry trends, specific legislation or our own corporate commitments.

Category goals are typically chosen by our category managers, where they see a business need, a corporate commitment or an innovative area where they want to drive business results in partnership with suppliers.

Examples of goals that might be category driven:

- Goals relating to the reporting of certain social metrics (e.g. conflict minerals or human rights audits)
- Transparency reporting requirements, for example sources in areas of high risk of deforestation
- Specific industry accreditation or certification

“ By partnering with our suppliers, we can strengthen the social, environmental and economic performance of our supply chain, reducing our collective footprints and strengthening our companies as well. ”

Len DeCandia, CPO, Johnson & Johnson

## Your Own Procurement

Where they haven't already, suppliers should consider expanding sustainability programs to include their supply base. Johnson & Johnson recognizes that our ability to make a significant contribution to society grows when we engage with those outside of our direct operations. All our suppliers should aim to have similar programs focused on collaboration, value chain improvements, increasing awareness and transparency across their entire value chain.

# Frequently Asked Questions

## Our Program

### **Is this program mandatory?**

*Suppliers are identified for enrollment by their significance to J&J's business. We expect requested suppliers to participate.*

### **I am a supplier not currently enrolled in the Sustainable Procurement Program, how can I get engaged?**

*Our 2020 target is to enroll suppliers covering 80% of our global spend. If you are a supplier to J&J and wish to be enrolled please contact your J&J Procurement contact and ask to be included.*

### **Do all the program requirements require annual action?**

*All our program metrics are reviewed annually, although some might not require significant action we expect current or previous-year data to support your goals when asked.*

### **What comes after the 2020 Goals?**

*We will continue setting five-year goal targets and ensure they reflect the environment, social and governance measures. We welcome external feedback on possible developments and targets to consider.*

### **Where can I ask additional questions about this Johnson & Johnson program?**

*Speak to your Johnson & Johnson Procurement contact.*

## Delivering Your Goals

### **Our organization is smaller than Johnson & Johnson – how can we deliver on our goals?**

*Our program is flexible, but our goals are achievable for any size organization. Suppliers should set goals that are achievable for their size, resources and business. We know meaningful sustainability improvements, including being transparent, don't have to be expensive or elaborate.*

### **How can I be transparent without revealing sensitive business data?**

*There are ways to present public goals without disclosing confidential information. For example, if you are working to reduce methanol use – a solvent in your proprietary process – you could create a meaningful goal like, “reduce solvent use in the mixing area by 20%.” This does not reveal anything about the process or the material, but you are still being transparent.*

### **Many of our suppliers are also direct Johnson & Johnson suppliers – who should reach out to them?**

*Where we have a mutual interest in sustainability at a third party, speak to your Johnson & Johnson Procurement contact who will take the request to our Responsible Procurement Council to align our approach.*

# Frequently Asked Questions

## EcoVadis

### **Why does Johnson & Johnson use EcoVadis?**

*The EcoVadis assessment is matched to our Responsibility Standards for Suppliers and provides us with an assessment of a significant part of our footprint. It is recognized across industries and sectors and is also used by our peers making it more efficient for our suppliers to complete.*

### **How will the EcoVadis assessment score be used?**

*The EcoVadis assessment score is primarily used to demonstrate conformance to the J&J Responsibility Standards for Suppliers. It is also used as a tool to monitor a supplier's Environmental, Health, Safety & Sustainability risk, and their efforts to mitigate any concerns. In some instances Johnson & Johnson uses the score as a measure of supplier performance when making commercial business decisions.*

### **What are the Johnson & Johnson EcoVadis risk parameters?**

*Johnson & Johnson does not require mandatory annual EcoVadis assessments for all suppliers, but the period for renewal varies based on your score.*

*For suppliers scoring 29 or less; reassessment the following year with demonstrated improvements required.*

*For suppliers scoring between 30 and 44; reassessment in 2 years time with follow up on highlighted areas in the action plan.*

*For suppliers scoring 45 or above; reassessment in 3 years.*

## Your Public Goals

### **Is Johnson & Johnson going to be validating my public sustainability goals?**

*Yes. Information on your sustainability goals and progress must come from a public source. The data itself should be presented with integrity and in some instances will be accepted in good faith. Johnson & Johnson Procurement will follow up on any data that appears or is proven to be misleading.*

## CDP

### **How do I know if I have been asked by Johnson & Johnson to disclose to CDP?**

*J&J suppliers are notified by their J&J relationship manager when they are being asked to disclose. A number of factors make up our choice including supplier significance, contribution to specific customer businesses or risk. In some instances suppliers will receive multiple requests from their customers, including J&J but only need to disclose once. Suppliers can also be requested to disclose by the investment community to submit the investor questionnaire, this incurs a fee that is not related to J&J's request.*

# Additional Resources

## Johnson & Johnson

### [JNJ.com](#)

*Johnson & Johnson's global corporate website.*

### [Our Credo](#)

*The document used to guide Johnson & Johnson's business strategy.*

### [Citizenship & Sustainability Reporting Program](#)

*An overview of all our work across the sustainability spectrum as well as all our work on citizenship, diversity, community contribution and more.*

### [Health for Humanity 2020 Commitments](#)

*Our 2020 goals.*

### [Our 2030 Promise](#)

*Our commitment to embed the Sustainable Development Goals into Johnson & Johnson's long term vision.*

### [Responsibility Standards for Suppliers](#)

*The standards referenced throughout this document as the minimum requirements we expect all our suppliers to uphold.*

### [Policies & Statements](#)

*A link to the policies and statements from all the Johnson & Johnson companies in all policy areas.*

## EcoVadis

### [EcoVadis](#)

*EcoVadis's global website.*

### [Supplier Portal](#)

*Log in page for suppliers to complete and review assessments.*

### [Help Center](#)

*All help materials and documents to aid completion of an assessment and understanding a corrective action plan.*

## CDP

### [CDP's website](#)

*CDP's global website.*

### [CDP portal](#)

*Log in page for suppliers to complete and review disclosure.*

### [Guidance Documents](#)

*All materials to aid compiling data and completing an assessment.*

### [Webinars](#)

*Multiple tutorials showing how to enroll, compile and submit a CDP disclosure.*

# Supplier Sustainability Toolkit

## Section 4 Appendix

# Example Goals

## Energy Reduction

### Introduction

Energy reduction efforts enable companies to simultaneously reduce costs and decrease greenhouse gas (GHG) emissions. It also signals to customers and investors that you are working to reduce your impact on the environment, particularly around climate change. Opportunities exist to reduce both facility- and transportation-related emissions and carbon dioxide (CO<sub>2</sub>).

### Steps to Consider

- Have you measured your carbon footprint or taken steps to reduce your greenhouse gas emissions?
- Have you set publicly available greenhouse gas reduction targets?
- Have you considered alternative forms of energy?
- Have you reported your greenhouse gas emissions to the Carbon Disclosure Project (CDP)?

### Sample Goals

- Reduce energy use by 10% from baseline year
- Reduce total greenhouse gas emissions by 10% from baseline year
- Increase facility energy usage of renewable power by 25%

## Waste Reduction

### Introduction

By focusing on eliminating waste, you can save money by purchasing fewer raw materials and by transporting only what is needed. It will also have a positive impact on the environment because fewer natural resources will be consumed in the production of unnecessary waste (not to mention labor savings). Waste can either be hazardous or nonhazardous.

### Steps to Consider

- Do you have a recycling program in place?
- Have you formally tracked waste weight?
- Have you set publicly available waste reduction goals?

### Sample Goals

- Reduce total waste generation 30% from baseline year
- Reduce x metric tons of packaging from products sent to customers from baseline year
- Implement an electronic take-back program

# Example Goals

## Water Use Reduction

### Introduction

Water is the most important substance on the planet, and it is scarce: less than 1% of all water on earth can be used by humans. Water is vital to human health and the environment, and virtually every industry from agriculture, electric power and industrial manufacturing to beverage, apparel, and tourism relies on it to grow and ultimately sustain their business. Efforts to reduce water use help save utility costs and offer another opportunity to improve your company's impact on the environment.

### Steps to Consider

- Have you formally tracked water volume?
- Have you set publicly available water reduction goals?
- Have you measured the total water use from facilities that produce your product(s)?

### Sample Goals

- Reduce water usage by 10% from baseline year
- Implement two projects to help protect vulnerable watersheds or provide communities with enhanced access to clean water
- Develop a water risk assessment process to focus reduction efforts in the most water vulnerable areas

## Workforce Injury & Illness Reduction

### Introduction

At the heart of each organization are the health and safety of its employees. A safe workplace enhances worker productivity and improves product and service quality. This also attracts stronger candidates and generates additional economic opportunities.

### Steps to Consider

- Do you have a company policy on employee health and safety?
- Do you provide a formal report of safety performance to the full Board of Directors?
- Do you have a fleet safety program?
- Have you publicly reported on safety performance?

### Sample Goals

- Achieve zero government-issued violations
- Reduce cases with days lost rate to 0.15
- Reduce work-related days lost rate to 3.0.
- Implement a case management program in 75% of facilities with 25 or more employees
- Ensure that 95% of manufacturing and R&D sites have current industrial hygiene risk assessments and monitoring plans

# Example Goals

## Workforce Wellness

### Introduction

Many of today's health care costs are related to lifestyle-driven chronic disease, both in developed and developing countries. Take steps to build a culture of health so employees know their key health metrics and risks and can link them to interventions that help reduce these risks. Benefits include improved quality of life for employees and their families; a healthier more engaged and productive workforce, and lower health care costs.

### Steps to Consider

- Are healthy food options provided in company cafeterias?
- Do you promote physical activity to employees?
- Do you provide access to health & wellness programs?
- Do you provide access to an employee assistance program?
- Do you provide health care benefits that encourage preventative medical screenings?
- Have you reviewed country legislation to ensure full compliance with legal requirements?

### Sample Goals

- Provide 100% of employees access to a personal wellness profile
- Achieve 100% of employees defined as "low health risk"
- 75% of companies have at least 5 health program offerings

## Community & Human Rights

### Introduction

Being a good business means being a good neighbor. By investing in your community, you can stimulate economic development, help address important social issues, and improve the lives of people worldwide. It also improves public perception, fosters goodwill, and attracts community-minded employees.

### Steps to Consider

- Have you publicly declared supplier diversity goals?
- Do you invest in community development activities in the markets you source from and/or operate within?
- Do you have a human rights policy?
- Do you offer training to your employees related to human rights?

### Sample Goals

- Achieve individual community acceptance ratings for 100% of company's sites
- Ensure continued or improved access to products in less developed countries or regions
- Establish formal community outreach program in each country in which you operate

# Example Goals

## Supplier Standards/Policies

### Introduction

At Johnson & Johnson, we conduct business according to the values embodied in Our Credo. Our Responsibility Standards for Suppliers define our expectations and assist us with selecting suppliers who operate in a manner consistent with our guiding principles. Our suppliers are expected to understand our expectations and manage to them in their own supply chains.

### Steps to Consider

- Do your supplier standards include policies/expectations regarding the environmental and social aspects of corporate social responsibility?
- How is your supplier standard/policy integrated across your business?
- Supplier selection, RFPs, RFX, tenders, supplier evaluations, contracts, assessments, audits.
- How do you communicate your standards to your suppliers?

### Sample Goals

- 100% tier 1 compliance with our Supplier Code Procedures by 2020
- Embed Human Rights awareness through training programs across our operations and suppliers by 2030
- Translate our supplier standards into 6 additional languages to support universal understanding and adoption by 2018

## Supplier Engagement Programs

### Introduction

Sustainable Procurement is a process by which environmental, social and ethical considerations are taken into account when making a purchasing decision. At its core is supplier engagement. New programs likely focus on transactional engagement while more mature programs focus on supplier collaboration and shared values. It is important to recognize that developing a robust program takes trust and time.

### Steps to Consider

- Assess all your suppliers and identify priority areas.
- Consider your supply base coverage – what % of suppliers are covered by your engagement program?
- What depth of supply chain visibility do you have across CSR/Sustainability? Tier 1/2/3...
- How are suppliers incentivized by you to be sustainable and socially responsible? Could you implement programs to encourage behavior changes?

### Sample Goals

- Engage suppliers in the top 50% of spend into a program
- All tier 1 production suppliers must publish a Global Reporting Initiative (GRI) report annually by 2020