

Responsible Wood-Fiber Product Sourcing Policy

Background

Forests are a vital resource, critical to the health of all of the people, plants and animals that inhabit our planet. They provide us with oxygen, food and medicine. They also sustain ecosystem services such as water purification and mitigation of natural hazards like droughts, floods and landslides. Today, forests cover approximately 30% of the land area on Earth; approximately 300 million people worldwide live in forests; and 1.6 billion people depend on forests for their livelihoods.¹

Forests also play an important role in mitigating climate change. When forests are cut, burned or otherwise removed for agricultural purposes they no longer act as a carbon sink, but instead emit carbon, which contributes to changes in climate patterns.

Use of forests for production of wood-fiber products can propel conversion of high conservation value forests, illegal harvesting, human rights abuses and social conflicts.

Relevance

As the world's largest and most broadly based healthcare company, Johnson & Johnson understands that human health is inextricably linked to environmental health—healthy people need a healthy planet. This means that to create healthier societies, we must have an unwavering commitment to protecting our planet and the vital resources upon which we all rely, today and in the future. Conserving the world's forests and respecting human rights can contribute positively to both environmental and human health.

While Johnson & Johnson does not own or manage forests, we do purchase wood-fiber products. We recognize that we can play a role in supporting responsible forestry through our sourcing of these materials. Johnson & Johnson is committed to eliminating deforestation² and respecting human rights in its wood-fiber product supply chains. However, Johnson & Johnson cannot end deforestation on its own; we are reliant on multi-stakeholder collaboration and transformation of upstream supply chains. Our Responsible Wood-Fiber Product Sourcing Policy and annual progress updates outline the actions our Company is taking to support the supply chain transformations that are necessary to protect the environment and the people in our wood-fiber product sourcing regions.

¹ <https://www.worldwildlife.org/threats/deforestation>

² In accordance with the definitions of the Accountability Framework Initiative, deforestation is defined as the loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.

Our Sourcing Principles

As a company with global supply chains, Johnson & Johnson strives to work with suppliers that share a common set of values. We expect all our direct suppliers to meet the [Johnson & Johnson Responsibility Standards for Suppliers](#), which details our expectations for supplier business conduct, human rights, labor practices, workplace safety and environmental stewardship.

In addition to these general standards, we have worked with Rainforest Alliance, a trusted, international nonprofit organization with 30 years of experience in forestry and responsible forest practice, to develop and implement specific sourcing requirements for our wood-fiber product suppliers. We expect our direct suppliers to:

- Provide supply chain transparency and traceability
- Respect human rights in their own operations and business relationships
- Partner and collaborate to effect positive industry change
- Work to reduce the greenhouse gas emissions and pollutant emissions associated with their supply chains

We expect our suppliers to meet the sourcing principles below and to ensure the sources of the wood-fiber products they supply to Johnson & Johnson are:

1. Harvested and traded in compliance with all national and local laws, legal requirements and international labor standards;
2. Harvested in a manner that respects human rights and traditional rights, including a commitment to secure the Free, Prior and Informed Consent (FPIC) for activities that may affect indigenous people's and local community rights, land, resources and livelihoods;
3. Harvested in a manner that protects high conservation value forests;
4. Not harvested from an area that is being converted to plantation or non-forest use;
5. Not developed on peatland; and
6. Not from areas cleared of natural forest after December 31, 2015.

Our Commitments

Johnson & Johnson is committed to the responsible sourcing of wood-fiber products and removing commodity-driven deforestation and degradation from our supply chain, and to respecting human rights in our business relationships. In support of this commitment, our ambition is to:

- Across our business, ensure the paper-based packaging we purchase originates from low-risk sources³
- For our Consumer Health brands, achieve 100% certified⁴ or post-consumer recycled (PCR) paper and pulp-based packaging⁵ by year-end 2025

We prefer Forest Stewardship Council (FSC) certified and PCR content in our wood-fiber products.

³ Low-risk source is defined as material that is either (i) Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certified, (ii) post-consumer recycled content, (iii) traced back to country of harvest and assigned a low-risk categorization at country level using Preferred by Nature's Timber Sourcing Hub, or (iv) demonstrates other approved methods of verifying low risk.

⁴ Certification schemes accepted by Johnson & Johnson include FSC or PEFC chain of custody standards.

⁵ Directed buys for cartons, corrugates and leaflets.

Our Due Diligence Process

Our sourcing principles apply to all wood-fiber products that we purchase, and we take a risk-based approach to verifying compliance with our sourcing principles. We focus our due diligence on suppliers representing at least 90% of our enterprise spend on directed cartons, corrugates and leaflets. Our due diligence process includes our suppliers located in regions with a heightened risk for deforestation.

For these materials, we conduct an annual supplier risk assessment to maintain supply chain transparency, validate supplier product claims and verify conformance to our sourcing principles and commitments. To implement the risk assessment, we partner with Rainforest Alliance.

Further, when an instance of nonconformance to our Responsible Wood-Fiber Sourcing Product Policy is reported to Johnson & Johnson, we implement a grievance process.

If a source is verified as noncompliant with our sourcing principles, we require that a time-bound action plan—which must be approved by Johnson & Johnson and our direct supplier—be developed and implemented swiftly. Progress against that action plan will be reviewed regularly. In some cases, when there is insufficient progress against time-bound plans or a lack of responsiveness to our request to correct noncompliance, Johnson & Johnson will take commercial action as appropriate.

This Policy will be reviewed regularly and updated as necessary.

Our Progress

We provide annual updates on our progress on this page. Our latest update may be found here:

- [Wood-Fiber Product – Progress Update](#)

Application

This Responsible Wood-Fiber Product Sourcing Policy is relevant to the Johnson & Johnson Family of Companies, as detailed in our [governance materials](#).

Last Updated: May 2021