

## W0. Introduction

---

### W0.1

---

**(W0.1) Give a general description of and introduction to your organization.**

Johnson & Johnson (J&J) and its subsidiaries (the Company) have approximately 132,200 employees worldwide engaged in the research and development, manufacture and sale of a broad range of products in the healthcare field. Johnson & Johnson is a holding company, with operating companies conducting business in virtually all countries of the world. The Company's primary focus is products related to human health and well-being. The Company is organized into three business segments: Consumer Health, Pharmaceutical and Medical Devices.

#### Consumer Health

The Consumer Health segment includes a broad range of products focused on personal healthcare used in the beauty, over-the-counter pharmaceutical, baby care, oral care, women's health and wound care markets.

#### Medical Devices

The Medical Devices segment includes a broad range of products used in the orthopaedic, surgery, interventional solutions (cardiovascular and neurovascular) and eye health fields.

#### Pharmaceutical

The Pharmaceutical segment is focused on six therapeutic areas: Immunology (e.g., rheumatoid arthritis, inflammatory bowel disease and psoriasis), Infectious Diseases (e.g., HIV/AIDS), Neuroscience (e.g., mood disorders, neurodegenerative disorders and schizophrenia), Oncology (e.g., prostate cancer and hematologic malignancies), Cardiovascular and Metabolism (e.g., thrombosis and diabetes) and Pulmonary Hypertension (e.g., Pulmonary Arterial Hypertension).

### W0.2

---

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1 2019	December 31 2019

### W0.3

---

**(W0.3) Select the countries/areas for which you will be supplying data.**

- Argentina
- Belgium
- Brazil
- Canada
- China
- Colombia
- Dominican Republic
- Egypt
- France
- Germany
- Greece
- India
- Indonesia
- Ireland
- Israel
- Italy
- Japan
- Malaysia
- Mexico
- Netherlands
- Puerto Rico
- Republic of Korea
- South Africa
- Spain
- Sweden
- Switzerland
- Thailand
- United Kingdom of Great Britain and Northern Ireland
- United States of America
- Venezuela (Bolivarian Republic of)

**W0.4**

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

**W0.5**

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

**W0.6**

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

**W0.6a**

**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Facilities whose primary activities are not research and development (R&D), and/or manufacturing are excluded. For example, J&J does not collect water data from locations that house primarily administrative activities such as sales/marketing office buildings and warehouses.	Water impacts related to office buildings and warehouses do not significantly impact J&J's overall water footprint.
Withdrawals of groundwater related to remediation of contamination.	Groundwater pump and treat projects may be operated at sites no longer entirely under J&J's control and/or operated by third parties. It is presumed that the volume of water not returned to the environment as a result of these activities is not significant relative to the footprint of our manufacturing and R&D activities.
Withdrawals of groundwater as drainage from construction activities.	Water withdrawn as drainage is as such returned to the environment. It is presumed that the volume of water not returned to the environment as a result of these activities is not significant relative to the footprint of our manufacturing and R&D activities.
Water data from manufacturing and research and development locations acquired via the purchase of a business within the last year.	We align our public environmental reporting to the operational boundary conditions established by the GHG Protocol. Under that Protocol, an acquisition is not included in reporting until 2 years from acquisition date.

**W1. Current state**

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Direct Use: Water is vital for our operations because high-quality water is required for use as a manufacturing aid and/or as a product ingredient. This is determined to be vital because future production could be compromised for certain product lines and processes if the water supply was insufficient. Indirect Use: The primary use of water in indirect operations is a manufacturing aid and/or a product ingredient. Indirect use is rated as vital because sufficient amounts of high-quality water must be used to pass product quality standards for certain categories of product, such as upstream suppliers for pharmaceutical ingredients. Primary Use: Water use varies depending on the product or business line, where for certain consumer goods (such as shampoos) most water use is distributed in our direct operations, whereas for other products most water use lies upstream in our value chain. Future water dependency is likely to remain the same (vitally important for direct and indirect use) given the nature of our product lines across Consumer Health, Pharmaceutical and Medical Devices Companies. While specific processes or product lines may change, our business segments (particularly Consumer Health and Pharmaceutical) will rely on high quality water in sufficient quantities as either an ingredient within our products or as a manufacturing aid.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Primary use - Direct Operations: Recycled water is used in operations as an offset for fresh water where appropriate, such as in manufacturing processes (e.g., cooling towers), but could be mitigated by internal efficiencies or supply chain diversification. Why this rating was chosen: the rating reflects the importance of offsetting fresh water usage when possible, especially in areas of water risk. However, recycled/brackish water is not of sufficient quality to be used as a product ingredient and is therefore not 'vital'. Primary use - Indirect Operations: As with direct operations, recycled water is used as a manufacturing aid for reducing fresh water usage in our supply chain. Why this rating was chosen: It is rated as important for reducing overall water impact, as some of our supply chain may be in areas of water stress and/or water-intensive industries, but not vital because it does not meet quality standards necessary for use in products. Future recycled water dependency is likely to remain the same given the nature of our product lines across Consumer Health, Pharmaceutical and Medical Devices business segments. While specific processes or product lines may change, it is not expected that recycled water could be used as a product ingredient in the future. Our business segments will use recycled water to offset fresh water usage when feasible.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Our organization monitors all 'water withdrawals - total volumes' as part of our approach to water efficiency and water risk management. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) for water withdrawals from third parties (such as municipal). For locations where a meter is not available, water withdrawal is calculated based on records of pump operation and flow rate either quarterly or annually. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
Water withdrawals – volumes by source	100%	Our organization monitors all 'water withdrawals - volumes by source' as part of our approach to water efficiency and water risk management. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) for water withdrawals from third parties (such as municipal). All water withdrawals are categorized by source and maintained within internal tracking systems for corporate reporting. For locations where a meter is not available, water is calculated based on records of pump operation and flow rate either quarterly or annually. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	As per standard J&J requirement, all facilities are required to determine, at least annually, the acceptability of drinking water supply by applying local, regional, or national drinking water-quality standards. Where there are no such standards, the World Health Organization (WHO) guidelines are applied. Water that is used in process operations is subject to quality verification as determined by the requirements of Quality Assurance. The frequency of monitoring is based on the point of use, criticality of use, historical data, etc. and can range from continuous to annual. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
Water discharges – total volumes	100%	Our organization monitors all 'Water discharges – total volumes'. Discharges are typically subject to permits which require metering and monitoring. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) from vendor meters and/or meters that are subject to government approval for use. For locations where a meter is not available, water output is calculated based on mass balance equations to account for water use in products and/or processes. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
Water discharges – volumes by destination	100%	Our organization monitors all 'Water discharges – volumes by destination'. Discharges are typically subject to permits which require metering and monitoring, and all wastewater is categorized by destination for reporting. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) from vendor meters and/or meters that are subject to government approval for use. For locations where a meter is not available, water output is calculated based on mass balance equations to account for water use in products and/or processes. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
Water discharges – volumes by treatment method	100%	Our organization monitors all 'Water discharges – volumes by treatment method'. Discharges are typically subject to permits which require metering and monitoring, and all wastewater is categorized by treatment method for reporting. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) from vendor meters and/or meters that are subject to government approval for use. For locations where a meter is not available, water output is calculated based on mass balance equations to account for water use in products and/or processes. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
Water discharge quality – by standard effluent parameters	100%	Our organization monitors all 'Water discharge quality – by standard effluent parameters' where required by local law or permitting. Pursuant to discharge permit conditions and/or internal company requirements, discharge quality data comes via onsite analysis and/or offsite analysis by appropriately accredited laboratories. Manufacturing and R&D sites with direct discharge to surface water yearly report selected parameters to corporate. The frequency of monitoring discharge quality will vary based on permit requirements, which may range from continuous to annual. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
Water discharge quality – temperature	100%	Our organization monitors 'Water discharge quality – temperature' if required per discharge permit, which is often, but not always, required. Pursuant to discharge permit conditions and/or internal company requirements, discharge quality data comes via onsite analysis. The frequency of monitoring discharge quality will vary based on permit requirements, which may range from continuous to annual. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
Water consumption – total volume	100%	'Water consumption – total volume' is monitored indirectly as part of our corporate water reporting program, though some facilities may track this directly as part of water efficiency measures. This is generally calculated as total withdrawals subtracted by water discharge at a corporate level. The frequency of monitoring ranges based on water source, with municipal/vendor sources typically tracked monthly or quarterly, and other sources (such as groundwater, recycled water, etc.) typically tracked quarterly or annually based on onsite meters and/or mass balance calculations. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
Water recycled/reused	100%	Our organization monitors all 'Water recycled/reused' as part of our approach to water efficiency and water risk management. The frequency of monitoring ranges based on a number of factors but is generally quarterly or annually and is based on onsite meters and/or mass balance calculations. All water sources including recycled water are categorized by source and maintained within internal tracking systems for corporate reporting. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Excluded sources, such as certain facility types (administrative, sales, warehouses, marketing locations), and withdrawals of groundwater (for remediation of contamination or as drainage for construction activities), are a de minimus source relative to the water sources included.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Our organization monitors 'the provision of fully-functioning, safely managed WASH services to all workers' as part of our approach to Environmental Health, Safety & Sustainability (EHS&S) and our public commitment to the Human Right to Water. This is monitored on an ongoing basis, where all locations have access to clean drinking water and water for washing, where some locations have on-site showers. For our Company, 'facilities' refers to all locations within our operational boundary in all geographies.

W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	11705	About the same	Total withdrawals stayed mostly the same (increased by 0.5%) as a result of reporting methodology for acquisitions and divestitures. When reporting on a like-for-like boundary, the total reduction is approximately -0.4%. These reductions can be attributed to the implementation of water reduction and water recycling projects. Many capital projects implemented over the past several years (19 in 2018; 33 in 2019) contributed to that trend. This figure is based on a combination of data including invoices, onsite meters, and mass balance calculations which are compiled into an online reporting platform for corporate reporting. The level of uncertainty is expected to be minimal (i.e., less 2%) arising from data gaps, assumptions and metering/measuring constraints. We anticipate water consumption to stay the same or decrease in the future (offsetting growth) as we continue to implement water efficiency projects as part of our Water Risk program.
Total discharges	7951	Higher	Total discharges increased by 3.3% as a result of reporting methodology for acquisitions and divestitures. When reporting on a like-for-like boundary, total discharges increased by approximately 2.2%, as a result of a combination of factors including increased investment in recycled water, increased production in some key facilities, and wastewater treatment projects. This figure is based on a combination of data including invoices, onsite meters, and mass balance calculations which are compiled into an online reporting platform for corporate reporting. The level of uncertainty is expected to be minimal (i.e., less 2%) arising from data gaps, assumptions and metering/measuring constraints. We expect water discharge to decrease in the future on a similar path as we continue to implement water efficiency projects as part of our Water Risk program.
Total consumption	3755	Lower	Total consumption has decreased by 5%, as a result of reporting methodology for acquisitions & divestitures. When reporting on a like-for-like boundary, total consumption reduced by approximately 5.4%. This reduction in consumption can be attributed to several factors, including increased recycled water usage, increased wastewater discharge, and shifts in water-intensive product categories. While some sites may calculate consumption onsite, this is not standard across all sites. This figure is therefore based on a Company-wide calculation (using Consumption = Withdrawals – Discharges, or 11,705 total withdrawals – 7,951 discharges = 3,755 megaliters total consumption). The majority of this is volume incorporated into products, though evaporation/ transpiration is a relevant contribution. We expect water consumption to stay the same or decrease as we improve efficiencies within our manufacturing process and/or product design. For example, we saved 1,768 megaliters of water annually through Earthwards®-recognized products sold (based on a 2018 effort to quantify this data).

**W1.2d**

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	Higher	WRI Aqueduct	Water stress, in alignment with the CDP definition (sites defined by the WRI Aqueduct tool with baseline water stress greater than or equal to "High"), accounts for 39% of our water withdrawals. The WRI Aqueduct tool was used for defining water stress in this question because it is in alignment with the internal comprehensive risk assessment upon which our Health for Humanity 2020 Goal is based. This internal tool uses, among other inputs, site-level questionnaires and several water stress models that evaluate water availability, including the Water Supply Stress Index Model (WaSSI), WRI Aqueduct, Water Risk Filter, EarthStat, and SEDAC.

**W1.2h**

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	183	About the same	Water withdrawal from fresh water is considered relevant because it represents 2% of our total water withdrawal in the 30 countries where manufacturing and R&D sites are present. Fresh surface water withdrawals increased by 8% from 2018 to 2019; however, as this is a small amount of water overall (only 13.75 megaliters), it is categorized as "about the same". Water trends from this source have stayed the same despite an increase in production because of efficiency projects implemented in some of the 12 sites that use fresh surface water. This source includes rainwater, surface water, greywater, and other fresh water designations. Most of the volume reported is from direct measurements but may be supplemented by mass balance equations. This volume is expected to remain constant or increase slightly as we seek to implement rainwater harvesting and greywater where appropriate to reduce our consumption of other fresh water and third-party sources.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant since J&J does not withdraw from brackish surface water/seawater in the 30 countries where manufacturing and R&D sites are present. This trend (not relevant) is expected to stay the same as there are no plans to include brackish surface water/seawater into our production processes.
Groundwater – renewable	Relevant	2846	Lower	Water withdrawal from fresh water is considered relevant because it represents 24% of our total water withdrawal in the 30 countries where manufacturing and R&D sites are present. Groundwater-renewable water reduced by 13% from 2018 to 2019. The reductions in the reporting year can be attributed to efficiency projects implemented in some of the 25 sites that use groundwater, decreased production in one site in Puerto Rico, and a shift from groundwater to third-party sources in Ireland. This volume is anticipated to remain the same or slightly decrease in the future as we seek to improve our water efficiency and reduce dependency on groundwater sources.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant as J&J does not withdraw from non-renewable groundwater sources in the 30 countries where manufacturing and R&D sites are present. All groundwater withdrawals are all renewable. This trend (not relevant) is expected to stay the same as there are no plans to include non-renewable groundwater into our production processes.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant as J&J does not withdraw from produced water sources in the 30 countries where manufacturing and R&D sites are present. This trend (not relevant) is expected to stay the same as there are no plans to include produced water into our production processes.
Third party sources	Relevant	8676	Higher	Water withdrawal from third party sources is considered relevant because it represents 74% of our total water withdrawal in the 30 countries where manufacturing and R&D sites are present. This refers to municipal suppliers in the majority of J&J operations, which increased by 6% from 2018 to 2019. While projects have been implemented to improve efficiency and mitigate risk, overall withdrawal likely increased slightly as a result of increased production and acquisitions. Future volume is expected to stay the same or decrease as a result of projects to improve our water efficiencies, our 2020 Health for Humanity Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implementing resource protection plans at high-risk sites. By the end of 2019, 100% of all high-risk sites identified developed mitigation plans and budgeted for their implementation in 2020; 35% of these have already completed their mitigation plans.

## W1.2i

### (W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	2375	About the same	Fresh surface water is a relevant source and comprises 30% of our discharge overall in the 30 countries where manufacturing and R&D sites are present. This includes surface water, irrigation, and other fresh surface water categories. The total discharge for this category decreased by 0.9% from 2018 to 2019 despite a 0.6% increase in revenues as a result of water efficiency projects and other water saving measures that offset increases in production. Volumes are sourced from direct measurements whenever applicable and substituted with mass balance equations when onsite meters are not available. This volume is expected to stay the same or decrease in the future as a result of projects to improve our water efficiencies, our 2020 Health for Humanity Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implementing resource protection plans at high-risk sites.
Brackish surface water/seawater	Relevant	118	About the same	Seawater water is a relevant source and comprises 1% of our discharge overall in the 30 countries where manufacturing and R&D sites are present. This discharge destination increased by 40 megaliters from the prior year. While this is an 52% increase, it is marked as "Higher" given the small overall quantity relative to all discharges by destination. This small increase, despite a 0.6% increase in revenues, was offset by water efficiency projects and other water saving measures implemented in prior years. Volumes are sourced from direct measurements whenever applicable and substituted with mass balance equations when onsite meters are not available. This volume is expected to stay the same or decrease in the future as a result of projects to improve our water efficiencies, our 2020 Health for Humanity Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implementing resource protection plans at high-risk sites.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	Water is not discharged to groundwater in the 30 countries where manufacturing and R&D sites are present and is therefore not relevant. This trend (not relevant) is expected to stay the same as there are no plans to discharge to groundwater in the future.
Third-party destinations	Relevant	5457	Higher	"Third-party destinations" is a relevant source and comprises 69% of our discharge overall. This is specific to wastewater treatment plants and does not include water to other organizations for further use. The total discharge from this category increased by 4.5% from 2018 to 2019 as a result of a combination of factors including increased investment in recycled water, increased production in some key facilities, and wastewater treatment projects. Volumes are sourced from direct measurements whenever applicable and substituted with mass balance equations when onsite meters are not available. This volume is expected to stay the same or decrease in the future as a result of projects to improve our water efficiencies, our 2020 Health for Humanity Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implementing resource protection plans at high-risk sites.

## W1.4

### (W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

## W1.4a

### (W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

#### Row 1

#### % of suppliers by number

Less than 1%

#### % of total procurement spend

1-25

#### Rationale for this coverage

As the world's largest, most broadly-based healthcare company, J&J works with more than 58,000 suppliers across our three business segments. To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2020 Goal to enrol suppliers in our Sustainable Procurement Program (SPP) covering 80% of our spend. The SPP 1) ensures supplier conformance with J&J's Responsibility Standards for Suppliers; and 2) encourages and supports suppliers in achieving excellence by embedding sustainable social and environmental practices, including transparency, target setting and public disclosure, into their businesses and respective supply chains. We further prioritize our suppliers by requesting that those with water-intensive operations or those in water-stressed areas report using the CDP Supply Chain Water Security Questionnaire. Incentives include reporting CDP scores in Supplier scorecards among other indicators.

#### Impact of the engagement and measures of success

Information requested from suppliers includes responding to the CDP Supply Chain Water Security Questionnaire, which contains a mixture of quantitative and qualitative disclosure on water risk. This information is used in Supplier Scorecards, which include a mixture of other topics. These scorecards are reviewed on an ongoing basis with J&J category leads to drive performance. Success is measured by increasing the number of suppliers who report to the CDP Supply Chain Water Security Questionnaire and enrol in the SPP program. For example, in 2019, we achieved the highest number of suppliers responding (112) and an 84% participation rate.

#### Comment

## W1.4b

**(W1.4b) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Onboarding & compliance

**Details of engagement**

Requirement to adhere to our code of conduct regarding water stewardship and management

**% of suppliers by number**

76-100

**% of total procurement spend**

76-100

**Rationale for the coverage of your engagement**

We articulate our expectations of supplier business conduct in the Johnson & Johnson Responsibility Standards for Suppliers (Standards). Our Standards include a standard to reduce the environmental impacts of their operations including wastewater discharges and implement programs to manage wastewater, ensuring compliance and protection of human health and the environment.

**Impact of the engagement and measures of success**

Beneficial outcomes of this activity include reducing our risk from harmful wastewater discharges in our supply chain that could have environmental and reputational consequences. Success is measured by all suppliers understanding and complying with the requirements set forth in this document. We include elements of the Standards in Purchase Order terms and conditions, Contract Templates and Requests for Proposals, and take steps to assess our suppliers' conformance to them.

**Comment**

---

**Type of engagement**

Incentivizing for improved water management and stewardship

**Details of engagement**

Water management and stewardship is integrated into supplier evaluation processes

**% of suppliers by number**

Less than 1%

**% of total procurement spend**

1-25

**Rationale for the coverage of your engagement**

Water management and stewardship is currently integrated into the supplier evaluation process by including applicable suppliers' CDP Supply Chain Water Security Questionnaire in our Supplier Scorecards, which are reviewed with other impacts such as compliance, EHS&S, and business continuity issues on an ongoing basis with business segment leads.

**Impact of the engagement and measures of success**

Beneficial outcomes of this activity will include reducing our indirect water risk in the future by increasing water risk knowledge and transparency throughout our supply chain. Success is measured by increasing the total number of suppliers reporting to the CDP Supply Chain Water Security platform, which was 112 in 2019 (an 84% participation rate).

**Comment**

---

**W1.4c**

---

**(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?**

We engage with our customers by providing public information on our website on water aspects of product sustainability through our Earthwards program and the GAIA Protocol, where the strategy is to provide information on product sustainability as we work to reduce our products' water footprint. The Global Aquatic Ingredient Assessment (GAIA) Tool was developed to measure the potential "end-of-life" environmental impact of ingredients in new formulations. The GAIA tool evaluates the biodegradability, persistence, bioaccumulation and toxicity of formulations on a scale from 0 to 100, enabling us to rank and score products in a measurable, scalable and definable way. Earthwards® has served as an approach to identify and quantify improvement opportunities across seven key sustainability impact areas: materials, packaging, energy, waste, water, social impact and innovation. The rationale for this approach to water in our value chain is to integrate water with other critical sustainability components of product sustainability. Success is measured through our Health for Humanity 2020 Goal for new and existing products representing 20% of J&J's revenue to achieve Earthwards® recognition for sustainability innovation improvements, which may include water. This goal was met early in 2019.

**W2. Business impacts**

---

**W2.1**

---

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

Yes

**W2.1a**

---

**(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.**

**Country/Area & River basin**

South Africa	Other, please specify (SOUTH AFRICAN WATER MANAGEMENT AREAS (WMAs))
--------------	---

**Type of impact driver & Primary impact driver**

Physical	Drought
----------	---------

**Primary impact**

Constraint to growth

**Description of impact**

A severe multi-year drought in Cape Town, South Africa impacted our Cape Town facility that produced some products in our Consumer Health segment for mainly African and European markets. From February 2017 onward, increasing levels of water restrictions were imposed by the government as "Day Zero", or the depletion of the city's water supply. While the output for J&J's production at this site was not impacted, this event required significant updates to Business Continuity Plans in case a complete disruption of water supply occurred. These updates included capital investments for water efficiency projects, ensuring product supply, and ensuring that local employees and their families were supported. Scale of impact: This event qualified as a substantive operational and/or strategic risk, despite the fact that there was no impact to production, because there was a 'highly likely' probability of water shortages for that facility where one or more product lines for one or more countries could be affected.

**Primary response**

Amend the Business Continuity Plan

**Total financial impact**

922000

**Description of response**

To respond to the potential detrimental impact at the Cape Town facility, a Project Steering Committee was formed to update the Business Continuity Plan and approach the problem to save water, secure water, secure product, and secure people. To save water, initiatives were implemented to reduce consumption, harvest water or increase the use of greywater for ancillary processes. To secure water, two projects were approved to provide the site with buffer storage capacity to absorb water supply interruptions and to provide the site with an alternative water source. To secure product, teams investigated dual sourcing and re-siting options for critical products. To secure people, Company personnel ensured appropriate working conditions on site. This response strategy is part of the broader J&J Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites. The response strategy began implementation in 2017 and continues through 2020. The response is expected to be effective in preventing future financial and operational impacts and improve water security at that site. The cost estimate of impact was derived from the total cost of capital investments for projects implemented at the Cape Town facility in 2018 and 2019 to mitigate water risk. This figure is the most appropriate because production was not reduced, and sales were not impacted.

**W2.2**

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

**W3. Procedures**

**W3.3**

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

**W3.3a**

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**



## Direct operations

### Coverage

Full

### Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

### Frequency of assessment

Annually

### How far into the future are risks considered?

More than 6 years

### Type of tools and methods used

Tools on the market

Other

### Tools and methods used

WRI Aqueduct

WWF Water Risk Filter

Internal company methods

External consultants

### Comment

Each manufacturing and/or R&D site undergoes a comprehensive water risk assessment that evaluates many aspects of water risk. This process uses several water stress models that include the Water Supply Stress Index Model (WaSSI), WRI Aqueduct, Water Risk Filter, EarthStat, and SEDAC, which have varying assumptions but include risks/impacts 10+ years into the future. Each high-water risk site develops a mitigation plan which includes budget allocations to mitigate risk. This assessment occurred for all facilities in 2016, and in subsequent years (2018 and 2019) additional assessments occurred for acquisitions and changes to methodology (such as the recent updates to the WRI Aqueduct).

## Supply chain

### Coverage

Partial

### Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

### Frequency of assessment

Annually

### How far into the future are risks considered?

1 to 3 years

### Type of tools and methods used

Other

### Tools and methods used

Internal company methods

Other, please specify (CDP Supply Chain Water Security; WRI Aqueduct)

### Comment

Water risks are partially assessed as part of ongoing supply chain business continuity planning and through our Sustainable Procurement Program (SPP). Information requested from suppliers includes responding to the CDP Supply Chain Water Security Questionnaire. This information is used in Supplier Scorecards, which include a mixture of other compliance, EHS&S and business continuity topics. These scorecards are reviewed on an ongoing basis with Company category leads to drive performance.

## Other stages of the value chain

### Coverage

None

### Risk assessment procedure

<Not Applicable>

### Frequency of assessment

<Not Applicable>

### How far into the future are risks considered?

<Not Applicable>

### Type of tools and methods used

<Not Applicable>

### Tools and methods used

<Not Applicable>

### Comment

## W3.3b

---

**(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water availability at a basin/catchment level is relevant because of the use of water as a manufacturing aid and/or product ingredient across our business segments (Consumer Health, Pharmaceutical, and Medical Devices). Availability at the basin level can vary significantly based on geography even within a country – for example, of our 10 sites in China, two are characterized as high-risk (in part) because of water availability at the basin level in the Yangtze River & Huang He river basins. This issue is incorporated into our direct operations for current and emerging issues through our comprehensive water risk assessment tool. As part of our Health for Humanity 2020 Goal, we have evaluated all of our manufacturing and R&D sites for water risk. This risk assessment uses, among other inputs, site-level questionnaires and several water stress models that evaluate water availability, including the Water Supply Stress Index Model (WaSSI), WRI Aqueduct, Water Risk Filter, EarthStat, and SEDAC.
Water quality at a basin/catchment level	Relevant, always included	Water quality at a basin/catchment level is relevant because of the use of water as a manufacturing aid and/or product ingredient across our business segments (Consumer Health, Pharmaceutical, and Medical Devices). Water quality is particularly important in our Consumer Health and Pharmaceutical business segments (representing ~65% of our total water use), where pharmaceutical manufacturing often requires high quality water inputs. This issue is incorporated into our direct operations for current and emerging issues through our comprehensive water risk assessment tool. As part of our Health for Humanity 2020 Goal, we have evaluated all of our manufacturing and R&D sites for water risk. This risk assessment evaluates both water withdrawal and discharges, including: water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE).
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	As stated in our Position on Water and Waste Management, as part of our commitment to better health for all, we strive to conserve water resources and meet the water demand for our operations without limiting the availability or quality of water resources to others. Stakeholder conflicts concerning water resources at a basin/catchment level is also relevant as part of our Position on Human Right to Water, and our principle to operate in a manner that will not diminish community water resources. While this issue is important everywhere, it may be particularly relevant in areas of high water stress. This issue is incorporated into our direct operations for current and emerging issues through our comprehensive water risk assessment tool. As part of our Health for Humanity 2020 Goal, we have evaluated all of our manufacturing and R&D sites for water risk. This risk assessment evaluates both water withdrawal and discharges, including: water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE).
Implications of water on your key commodities/raw materials	Relevant, always included	Implications of water on key commodities/raw materials is relevant as a business continuity issue in our supply chain, as some of our 58,000 suppliers may be in areas of water stress and/or in industries that are water intensive. This issue is incorporated into our direct operations for current and emerging issues through our comprehensive water risk assessment tool and our Sustainable Procurement Program (SPP). We assess supplier risk for water-related issues prior to requesting participation in the CDP Supply Chain Water Security Questionnaire by conducting a review of suppliers in water-intensive operations and/or located in water-stressed areas. This assessment requests information on current water consumption, risk exposure, water risks & opportunities, governance, business strategy, targets, and other water-related data information. We have set a Health for Humanity 2020 Goal to enrol suppliers in our SPP covering 80% of our spend. The SPP 1) ensures supplier conformance with the Johnson & Johnson Responsibility Standards for Suppliers; and 2) encourages and supports suppliers in achieving excellence by embedding sustainable social and environmental practices, including transparency, target setting and public disclosure, into their businesses and respective supply chains. A subset of this program tracks participation rates of suppliers participating in the CDP Supply Chain Water program. We also indirectly consider water risk to certain raw materials originating from forest commodities such as wood-fiber and palm oil. Deforestation and forest degradation contribute to greenhouse gas emissions, biodiversity loss, shifts in water cycles and loss of economic value. Water's impact on forest commodities is broadly assessed as part of a larger strategy to source forest materials responsibly as stated in our Wood-Fiber Products Sourcing Criteria and Responsible Palm Oil Sourcing Criteria.
Water-related regulatory frameworks	Relevant, always included	Water-related regulatory frameworks are relevant as part of our commitment to comply with all local regulations. This issue can be particularly important in our Consumer Health and Pharmaceutical business segments as there may be additional regulatory frameworks concerning pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). This issue is incorporated into our direct operations for current and emerging issues through our comprehensive water risk assessment tool. As part of our Health for Humanity 2020 Goal, we have evaluated all of our manufacturing and R&D sites for water risk. This risk assessment evaluates both water withdrawal and discharges, including: water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). The tool is our site-specific questionnaire where this issue is addressed, which is used in the overall site risk evaluation.
Status of ecosystems and habitats	Relevant, always included	The status of ecosystems and habitats are relevant as part of an identified priority issue on our global ranking of priority topics such as biodiversity, and we have statements on managing our direct and indirect impact on biodiversity as outlined in our "Respecting Biodiversity" public document. This issue is incorporated into our direct operations for current and emerging issues through our comprehensive water risk assessment tool. As part of our Health for Humanity 2020 goal, we have evaluated all of our manufacturing and R&D sites for water risk. This risk assessment evaluates both water withdrawal and discharges, including: water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). Relevant tools as inputs to the water risk assessment process are WaSSI, EarthStat and SEDAC.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Access to fully-functioning, safely managed WASH services is relevant as part of our position statement "Statement on Human Right to Water". While this issue is important everywhere, it may be particularly relevant in areas of high water stress. This issue is incorporated into our direct operations for current and emerging issues through our comprehensive water risk assessment tool. As part of our Health for Humanity 2020 goal, we have evaluated all of our manufacturing/R&D facilities for water risk. This risk assessment evaluates both water withdrawal and discharges, including: water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). The tool used includes WRF: Access to Safe Drinking Water; Access to Improved Sanitation. The site-specific questionnaire also contains relevant questions regarding this issue.
Other contextual issues, please specify	Please select	

**W3.3c**

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Customers are relevant and always included as part of water-related risk assessments. As it states in Our Credo, everything we do must be of high quality. It's our first responsibility to more than a billion people around the world who use and trust Johnson & Johnson products. Future water scarcity could impact production capacity and/or increase operational costs (which could be passed on to the consumer), or compromise quality if these issues are not assessed and mitigated as part of water risk assessments. At an enterprise level, we engage with customers on all issues through direct contact through sales, customer relationship managers, customer call centers, customer meetings, and industry trade groups/meetings. Feedback about water issues specifically may come from customers on a subset of these methods to understand general trends. The importance of water-related issues is considered for all three stages of the value chain, where operational risk is particularly relevant (both current and in the future). Operational water-risk issues are managed through our Water Risk Assessment tool, which evaluates water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). We also engage customers on product sustainability through our Earthwards® program, which identifies and quantifies improvement opportunities across seven key sustainability impact areas, including water.
Employees	Relevant, always included	Our 132,000 employees are a relevant stakeholder group included as part of water-related risk assessments, as employee concern over company sustainability practices in general, and water practices specifically, is one factor of many that may impact our ability to recruit and retain employees. We also assess how water issues can affect our employees – for example, during the Cape Town water crisis, ensuring the support of our people and their families was a crucial component of our Business Continuity Plan. At an enterprise level, we engage with employees through Our Credo and Our Voice surveys (issued on alternating years), intranet, newsletters, Company webcasts, town hall meetings, quarterly business updates, training, etc.. Employee feedback in regard to sustainable water practices specifically may come from a subset of these methods to understand general trends. The importance of water-related issues is identified for all three stages of the value chain, where operational risk is particularly relevant (both current and in the future). Operational water-risk issues are managed through our Water Risk Assessment tool, which evaluates water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE).

	Relevance & inclusion	Please explain
Investors	Relevant, always included	As a publicly traded company, investors are relevant and always included in water-related risk assessments. Investor concern about any risks, including water-related risk, could represent a risk to access capital under favorable conditions. At an enterprise level, we engage with investors on all issues through our Annual Report, Health for Humanity Report, annual shareholders meetings, investor releases, investor meetings and conferences. We also continue hosting our Health for Humanity Report webinar with investors to accompany the release of our annual Health for Humanity Report, providing shareholders the opportunity to engage and ask questions of leaders in across the key ESG (Environmental, Social, Governance) functions. Engagement on sustainable water practices specifically has been through annual sustainability reports and the CDP Water Risk Questionnaire. Stakeholder concerns (both current and future) are evaluated for all three stages of the value chain to determine their priority issues, which include water risk and responsible water stewardship. For example, the Company has had an ongoing dialogue with investor groups on issues such as pharmaceuticals in the environment (PIE) in supply chains and has used feedback and findings to inform ongoing commitments and strategy.
Local communities	Relevant, always included	Local communities are relevant and included in water-related risk assessments. Water represents a critical resource for local communities, and improper management can foster conflicts. It is also a component of our public Position on Human Right to Water, and our Position on Water and Waste Management, where we seek to preserve the quality of water resources in the communities in which we do business. At an enterprise level, we engage with local communities through collaboration and partnerships, philanthropy, employee volunteering, and sponsorships. The importance of water-related issues is identified for all three stages of the value chain, where operational risk is particularly relevant (both current and in the future). Operational water-risk issues are managed through our Water Risk Assessment tool, which evaluates water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). The Water Risk Assessment tool focuses on community safe water and sewer access specifically, with site-level questionnaires on this topic.
NGOs	Relevant, always included	NGOs are part of our stakeholder engagement process as valuable partners with expertise in local and global issues, including water scarcity. At an enterprise level, NGOs are engaged through direct engagement, collaborative partnerships, sponsorships, organizational memberships, conferences, and social media. A subset of these methods may be used to engage on water issues specifically. The importance of water-related issues is identified for all three stages of the value chain, where operational risk is particularly relevant (both current and in the future). Operational water-risk issues are managed through our Water Risk Assessment tool, which evaluates water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE).
Other water users at a basin/catchment level	Relevant, always included	Other water users at a basin/catchment level are defined as relevant because of their strategic importance from an operational and/or reputational consideration. The importance of water-related issues for this stakeholder are identified for all three stages of the value chain, where operational risk is particularly relevant (both current and in the future). Operational water-risk issues are managed through our Water Risk Assessment tool, which evaluates water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). This stakeholder is particularly relevant in areas of high water stress and facility-specific mitigation plans are created with local considerations in mind.
Regulators	Relevant, always included	As enforcers of local water-related laws where we conduct business, regulators are relevant stakeholders. As stated in our Position on Human Right to Water and our Position on Water and Waste Management, we are committed to respecting human rights and complying with the local laws protecting these rights in the countries where we are present. Similarly, our Code of Business Conduct (CBC) requires compliance with local laws and regulations. At an enterprise level, regulators are engaged through governmental affairs liaisons, direct engagement, Johnson & Johnson Political Action Committee, meetings, and advocacy. Water issues may be engaged with a subset of these methods. Operational water-risk issues relevant to regulators are managed through our Water Risk Assessment tool, which evaluates water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). In particular, the assessment tool includes a site-specific questionnaire that focuses on current and evolving regulations. Our sites and suppliers are expected to maintain their operations in compliance with relevant local environmental regulations, including those related to water use, treatment and discharge. We also monitor regulatory change through our environmental management systems (required to be third-party certified for all manufacturing and research and development sites), and through our Emerging Issues work group.
River basin management authorities	Relevant, always included	River basin management authorities are defined as relevant because of their strategic importance from an operational and/or reputational consideration, where strong river basin governance contributes to adequate supply and minimizes conflict. The importance of water-related issues for this stakeholder are identified for all three stages of the value chain as part of this process, where operational risk is particularly relevant (both current and in the future). Operational water-risk issues are managed through our Water Risk Assessment tool, which evaluates water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). This stakeholder is particularly relevant in areas of high water stress and facility-specific mitigation plans are created with local considerations in mind.
Statutory special interest groups at a local level	Relevant, always included	Statutory special interest groups at a local level are defined as relevant because of their strategic importance from an operational and/or reputational consideration. The importance of water-related issues for this stakeholder are identified for all three stages of the value chain as part of this process, where operational risk is particularly relevant (both current and in the future). Operational water-risk issues are managed through our Water Risk Assessment tool, which evaluates water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). In particular, the Water Risk Assessment includes research on local activities and publications of relative interest groups at all evaluated facilities to ensure that local issues are being incorporated. This stakeholder is particularly relevant in areas of high water stress and facility-specific mitigation plans are created with local considerations in mind.
Suppliers	Relevant, always included	Suppliers are a relevant stakeholder because water scarcity in our supply chain could represent a business continuity issue if chronic or acute water impacts are not appropriately assessed and mitigated. At an enterprise level, suppliers are engaged through direct engagement, collaborative partnerships, Responsibility Standards for Suppliers, supplier scorecards, training and workshops, surveys, assessments and audits. A subset of these methods may be used for water risk topics specifically. The importance of water-related issues is identified for all three stages of the value chain, where supply chain risk is particularly relevant (both current and in the future). We request that some suppliers report using the CDP Supply Chain Water Security Questionnaire. The Company incentivizes suppliers to report by including their CDP score in our Supplier Scorecards, (which include a mixture of other compliance, Environmental Health & Safety and business continuity topics) and are reviewed on an ongoing basis with business segment leads. Our suppliers are also expected to maintain their operations in compliance with relevant local environmental regulations, including those related to water use, treatment and discharge. We also monitor regulatory change through our environmental management systems (required to be third party certified for all manufacturing and research and development sites), and through our Emerging Issues working group.
Water utilities at a local level	Relevant, always included	Water utilities at a local level are defined as relevant because of their strategic importance from an operational and/or reputational consideration as the provider of approximately 70% of our water supply. The importance of water-related issues for this stakeholder are identified for all three stages of the value chain as part of this process, where operational risk is particularly relevant (both current and in the future). Operational water-risk issues are managed through our Water Risk Assessment tool, which evaluates water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). This stakeholder is particularly relevant in areas of high water stress and facility-specific mitigation plans are created with local considerations in mind.
Other stakeholder, please specify	Please select	

**(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

Operations: The level of coverage of water-related risks is for all manufacturing and R&D sites within our operations (where the majority of our impacts are). This is assessed through our Water Risk Assessment tool, which evaluates many aspects of water risk. Inputs to the Water Risk Assessment tool include several models such as Water Supply Stress Index Model (WaSSI), WRI Aqueduct, Water Risk Filter, EarthStat, and SEDAC, which have varying assumptions but include risks/impacts 10+ years into the future. These tools were selected to provide a comprehensive view of risk from an ecological, social, economic and reputational perspective. Risks are classified at an asset level for risk mitigation plans, and overall risks are managed at an enterprise level as part of Health for Humanity 2020 Goal.

For each site classified as high risk, the Environmental Health, Safety and Sustainability (EHS&S) team provides guidance on risks and potential actions to mitigate the risks identified through the risk assessment process. Site personnel then conduct feasibility studies and mitigation plans to address the risks. Before approval, EHS&S reviews the proposed plans and analyses the change in water risk categorization if the mitigation plans were implemented. In the case that risks cannot be fully mitigated and must be accepted, the site then integrates findings into existing Business Continuity Plans.

Value chain - supply chain: To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2020 Goal to enrol suppliers in our Sustainable Procurement Program (SPP) covering 80% of our spend. We further prioritize suppliers that may have more risk from being in an industry that is water-intensive and/or are located in an area of high water stress. These suppliers are requested to disclose more water-related information through the CDP Supply Chain Water Security Questionnaire. This information is used in Supplier Scorecards, which include a mixture of other compliance, EHS&S and business continuity topics. These scorecards are reviewed on an ongoing basis with Company Category leads to drive performance.

---

## W4. Risks and opportunities

---

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, both in direct operations and the rest of our value chain

---

### W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Definition of 'substantive financial or strategic impact' when identifying or assessing water-related risks:

Risk management requires a broad understanding of internal and external factors that can impact achievement of strategic and business objectives. Historically, risks to the Company's success have been categorized as Strategic, Operational, Compliance, and Financial & Reporting. However, as the world in which we operate becomes more complex and unpredictable, the corresponding risks and their potential impact have increased (The World Economic Forum Global Risks Report). To ensure the Johnson & Johnson Enterprise Risk Management (ERM) Framework appropriately incorporates the evolving risk landscape, our risk categories now also address Environmental, Social and Cybersecurity risks. Additionally, the Compliance risk category has been expanded to explicitly include legal and regulatory risk.

Our approach to risk categories is also informed by the results of internal risk assessments and risk assurance work, as well as insights from various industry sources such as the Gartner Risk Management Leadership Council, The World Economic Forum Global Risks Report, The Global Reporting Initiative Framework, The Carbon Disclosure Project and The Task Force on Climate-related Financial Disclosures.

Financial risks are categorized according to their ability to impact the achievement of strategic and business decisions, including in the context of financial targets based upon our Global Growth Drivers and overall business performance. We define substantive financial risk at the enterprise level in context of Security & Exchange Commission (SEC) required disclosures around "Risk Factors" which are publicly disclosed annually in our 10-K. These risk factors consider both various qualitative and quantitative variables in assessing the potential financial impact to the enterprise.

While it is clear that climate change will have profound implications on the health for humanity, it is not always known with precision the exact magnitude or probability of future risks and how those may impact J&J. As a result, we use a definition for "substantive strategic impact" that enables us to analyze possible futures and put in place programs to increase the resilience of our organization in the face of uncertainty. Substantive strategic impacts are disclosed in this report, which are risks/opportunities with a meaningful impact to reputation and/or public trust, potential for action that could impede J&J from manufacturing or distributing some product volume, and are considered possible, likely, more likely or highly likely in the short- to long-term future. This definition applies to direct operations and supply chain. For example, the drought in Cape Town, South Africa in 2017 qualified as a substantive risk, even though there was no impact to production, because there was a 'highly likely' probability of water shortages for that facility where one or more product lines for one or more countries could be affected.

All risks and opportunities disclosed meet the criteria for a substantive strategic impact but do not meet the criteria for a substantive financial risk for the purposes of this report.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	13	1-25	'Facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. Risk is defined as the highest rated risk based on an in-house-designed risk assessment model that includes criteria from several water stress models and site-specific data.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

China	Huang He (Yellow River)
-------	-------------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Country/Area & River basin

South Africa	Other, please specify (SOUTH AFRICAN WATER MANAGEMENT AREAS (WMAs))
--------------	---

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Country/Area & River basin

China	Yangtze River (Chang Jiang)
-------	-----------------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

---

**Country/Area & River basin**

United States of America	Other, please specify (GHAAS Basin 891)
--------------------------	---

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

---

**Country/Area & River basin**

United States of America	Other, please specify (California)
--------------------------	------------------------------------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

---

**Country/Area & River basin**

India	Godavari
-------	----------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

---

**Country/Area & River basin**

Mexico	Other, please specify (Rio Grande)
--------	------------------------------------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

**Country/Area & River basin**

Mexico	Other, please specify (Rio Grande)
--------	------------------------------------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

**Country/Area & River basin**

Mexico	Balsas
--------	--------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

**Country/Area & River basin**

Indonesia	Other, please specify (GHAAS Basin 1666)
-----------	--

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

**Comment**

---

**Country/Area & River basin**

Puerto Rico	Other, please specify (GHAAS Basin 1834)
-------------	--

**Number of facilities exposed to water risk**

1

% company-wide facilities this represents

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

**Comment**

---

**Country/Area & River basin**

Belgium	Meuse
---------	-------

**Number of facilities exposed to water risk**

1

% company-wide facilities this represents

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

**Comment**

---

**Country/Area & River basin**

Italy	Other, please specify (GHAAS Basin 4131)
-------	--

**Number of facilities exposed to water risk**

1

% company-wide facilities this represents

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

**Comment**

---



**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

#### Country/Area & River basin

South Africa	Other, please specify (SOUTH AFRICAN WATER MANAGEMENT AREAS (WMAs))
--------------	---

#### Type of risk & Primary risk driver

Physical	Increased water stress
----------	------------------------

#### Primary potential impact

Reduction or disruption in production capacity

#### Company-specific description

As water is a critical component in many of our products – for example, it can represent up to 80% of the contents of shampoo – we have implemented a comprehensive water risk assessment for our manufacturing and R&D sites to determine where to prioritize efforts and implement mitigation and reduction efforts. As a result of this effort we have identified that 39% of our water is withdrawn in regions of high or extremely high baseline water stress. Growing population, economic activity and consumption combined with climate change impacts and weak water governance and infrastructure are leading to increased water scarcity in many parts of the world. This impacts J&J in several locations; we have identified 13 facilities in our operations classified as under water stress in Belgium, China, India, Indonesia, Italy, Mexico, South Africa, and the US. We have identified increased water risk, including water stress, as a substantive strategic climate-based risk to our operations with the potential to cause disruptions in operations or increase operational costs. For example, in 2017 we experienced increased operational costs to truck water onsite to our Aurangabad, India facility to meet production during a drought. Operational costs also increased when our Cape Town, South Africa facility was at risk of a city-wide water shortage from 2017–2019 and mitigation plans necessitated capital investments to ensure business continuity. While our Cape Town facility represents <5% of the water withdrawal from areas of extremely high risk, it is used as a recent example of potential risks from reduction or disruption in production capacity and how a comprehensive risk management approach can mitigate financial impacts.

#### Timeframe

Current up to one year

#### Magnitude of potential impact

Low

#### Likelihood

Unlikely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

922000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

In areas affected by extreme water shortages, such as Cape Town, South Africa, updates to the Business Continuity Plan, in addition to capital funding for high priority projects, are likely to mitigate short term financial impacts. The most relevant financial impact figure for this risk is therefore ongoing capital expenditures to lower the risk of reduction or disruptions in production capacity. The reported figure is based on the capital investments at our Cape Town facility with a water benefit that were implemented in 2018 and 2019. This is a sub-set of the \$7.2 million capital expenditures in 2019 related to projects with a water benefit associated with our comprehensive water risk assessment program.

#### Primary response to risk

Amend the Business Continuity Plan

#### Description of response

We are responding to this risk as part of our corporate Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites. In most cases these resource protection plans include updates to Business Continuity Plans as well. Resource mitigation plans consider water issues such as stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), reputational impacts, and pharmaceuticals in the environment (PIE) and personal care products in the environment (PCPE). In many cases, these resource mitigation plans include projects with capital expenditures for initiatives designed to reduce our water usage and mitigate water risk. In 2019, we implemented 33 projects in Asia Pacific, EMEA, Latin America and North America, where 3 of these projects will occur in areas categorized as "Critical" or "Major" from our internal water risk assessment process (which includes many factors including water scarcity). As a 2019 case study specific to our efforts in Cape Town, our Consumer Health manufacturing facility in Cape Town has been supporting the city's efforts to mitigate drought risk through several water security and water saving projects, including the installation of air-cooled instead of water-cooled cooling towers. Several additional initiatives are planned and slated for implementation in 2020.

#### Cost of response

19900

#### Explanation of cost of response

The cost of management is operational expenditures associated with additional risk assessments in 2018 and 2019 as a result of new acquisitions and updates to the WRI Aqueduct methodology. While this did not include a specific assessment or re-evaluation of our Cape Town facility as it was not necessary in the reporting year, it is indicative of annual costs to support the ongoing relevancy and accuracy of our water risk assessments.

**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

Austria	Rhine
---------	-------

**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

Physical	Flooding
----------	----------

**Primary potential impact**

Increased operating costs

**Company-specific description**

As the world's largest, most broadly-based healthcare company, J&J maintains operations in virtually all countries of the world and works with more than 58,000 suppliers across our three business segments. We manage a highly complex network of supplier relationships that are critical to business success and our ability to fulfil our obligations to those we serve. Water stress is anticipated to increase as climate change impacts global precipitation patterns and exacerbates droughts in certain areas. This can be expected to impact our global supply chain, particularly for some water-intensive industries such as chemicals or pharmaceutical ingredients. Water stress varies greatly throughout our supply chain, which may contain some water-intensive suppliers (such as pharmaceutical ingredients or chemicals). As part of our supply chain program, we assess annually a list of suppliers for multiple criteria, including if they are in a water-intensive industry or a region of water stress (using the WRI Aqueduct tool) and request that they report using the CDP Supply Chain Water Security Questionnaire. While we view the primary benefit of this process as increasing the knowledge of water risk within our supply chain, we are beginning to assess what risks our suppliers report, if any, can directly translate to a financial impact to J&J. We evaluated a subset of suppliers that reported a quantified financial risk to the CDP Water questionnaire and indicated that their response may have some impact on J&J. Of this subset, the river basin "Rhine" was chosen as the most frequently reported river basin across suppliers with the aforementioned criteria. These suppliers reported some risks (such as flooding, increased water stress, seasonal supply variation, declining water quality, and increased water-related regulation) that could translate into financial impacts that could reasonably increase their costs to customers such as us in the event that risk mitigation was not possible. The country and river basin reported in this question is a small subset of our suppliers who have provided information to the CDP Water Risk Questionnaire and reported a detrimental water-related impact and is not reflective of all areas of physical water stress.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Low

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

170000

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

The potential financial impact figure is calculated from supplier-reported financial impacts from water-related risks in J&J's 2019 request to respond to the CDP Supply Chain Water Security Questionnaire. The river basin "Rhine" was chosen as the highest number of records across our suppliers with impacts that could reasonably translate to an increase in cost (such as flooding, increased water stress, seasonal supply variation, declining water quality, and increased water-related regulation). J&J then allocated a total financial impact based on J&J's spend relative to total revenue of that specific supplier (for example, if Supplier A's total revenue was \$1M, J&J's spend was 100k, and they reported a risk of \$200k, J&J's allocated cost would be  $(100k/\$1M) * (200k) = 20k$ ). This resulted in an allocated financial risk of \$170,000 for the Rhine river basin in Austria.

**Primary response to risk**

Supplier engagement	Increase supplier reporting on water
---------------------	--------------------------------------

**Description of response**

To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2020 Goal to enrol suppliers in our Sustainable Procurement Program (SPP) covering 80% of our spend. The SPP: 1) ensures supplier conformance with J&J's Responsibility Standards for Suppliers as well as applicable legal and regulatory requirements; and 2) encourages and supports suppliers in achieving excellence by embedding sustainable social and environmental practices, including transparency, target setting and public disclosure, into their businesses and respective supply chains. For water risk specifically, we also review if they are in a water intensive industry and/or a region of water stress, using the WRI Aqueduct tool. For this selection of suppliers, we also request that suppliers report using the CDP Supply Chain Water Security Questionnaire. J&J incentives suppliers to report by including their CDP score in our Supplier Scorecards, (which include a mixture of other compliance, EHS and business continuity topics) and are reviewed on an ongoing basis with business segment leads. Success is measured by progressing towards our goal of enrolling 80% of our spend in the SPP program. As of 2019, approximately 71% of our spend was enrolled (500 cumulative since program launch in 2015), with 112 suppliers responding to the CDP Water Security Questionnaire.

**Cost of response**

**Explanation of cost of response**

The cost of the response includes fees to the CDP supply chain program, which is our primary method of collecting water data (qualitative and quantitative) from our suppliers. This cost is recurring.

**W4.3****(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a****(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.****Type of opportunity**

Efficiency

**Primary water-related opportunity**

Cost savings

**Company-specific description & strategy to realize opportunity**

Operational savings are one aspect of our water risk program that presents an opportunity, particularly in areas of high water risk where current or future water supply disruptions may cause the price of water to increase or limit its availability. We use natural resources to make our products that millions of people rely on every day. It is vitally important that we operate our business within planetary boundaries. Equally, economies realized through resource efficiency support business resilience and continuity. As part of our corporate Health for Humanity 2020 Goal, we have managed this opportunity by conducting a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implementing resource protection plans at high-risk sites. Resource mitigation plans consider water issues such as water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, total water use, economic implications (water spend), and reputational impacts. In many cases, the result of these resource continuity plans are projects that have ongoing operational savings from reduced water and/or energy consumption. This is an actual positive benefit for the organization and in 2019 applied to 33 projects in Asia Pacific, Europe, Middle East & Africa, Latin America and North America, where several projects will occur in areas categorized as "Critical" or "Major" from our internal water risk assessment process. As a result of these efforts, we have decreased global water withdrawal per million USD revenue from 1.83 million m3 in 2010 to 1.43 million m3 in 2019 – a reduction of 22%. As a case study, our Consumer Health manufacturing facility in Cape Town has been supporting the city's efforts to mitigate drought risk through several water security and water saving projects, including the installation of air-cooled instead of water-cooled cooling towers. Several additional initiatives are planned and slated for implementation in 2020.

**Estimated timeframe for realization**

1 to 3 years

**Magnitude of potential financial impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

250000

**Potential financial impact figure – maximum (currency)**

1200000

**Explanation of financial impact**

Financial impact was calculated based on the range of yearly estimated cost savings/avoidance from 2017–2019. The cost savings for these projects are derived from either reduced water or energy usage, as several of these projects have an energy saving benefit.

**W5. Facility-level water accounting****W5.1****(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.****Facility reference number**

Facility 1

**Facility name (optional)**

Facility 1

**Country/Area & River basin**

China	Huang He (Yellow River)
-------	-------------------------

**Latitude**

34.28

**Longitude**

109.01

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

158.25

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

6.36

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

151.89

**Total water discharges at this facility (megaliters/year)**

140.83

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

21

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

119.83

**Total water consumption at this facility (megaliters/year)**

17.42

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 2

**Facility name (optional)**

Facility 2

**Country/Area & River basin**

South Africa	Other, please specify (SOUTH AFRICAN WATER MANAGEMENT AREAS (WMAs))
--------------	---

**Latitude**

-34.04

**Longitude**

18.46

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

32.17

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

32.17

**Total water discharges at this facility (megaliters/year)**

21.1

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

21.1

**Total water consumption at this facility (megaliters/year)**

11.07

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 3

**Facility name (optional)**

Facility 3

**Country/Area & River basin**

China	Yangtze River (Chang Jiang)
-------	-----------------------------

**Latitude**

31

**Longitude**

121.38

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

338.31

**Comparison of total withdrawals with previous reporting year**

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

338.31

Total water discharges at this facility (megaliters/year)

191.23

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

191.23

Total water consumption at this facility (megaliters/year)

147.08

Comparison of total consumption with previous reporting year

Lower

Please explain

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

Facility reference number

Facility 4

Facility name (optional)

Facility 4

Country/Area & River basin

United States of America	Other, please specify (GHAAS Basin 891)
--------------------------	---

Latitude

40.16

Longitude

-76.32

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

340.16

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

340.16

**Total water discharges at this facility (megaliters/year)**

205.88

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

205.88

**Total water consumption at this facility (megaliters/year)**

134.28

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 5

**Facility name (optional)**

Facility 5

**Country/Area & River basin**

United States of America	Other, please specify (California)
--------------------------	------------------------------------

**Latitude**

33.95

**Longitude**

-118.38

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

82.14

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

82.14

**Total water discharges at this facility (megaliters/year)**

57

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

57

**Total water consumption at this facility (megaliters/year)**

25.14

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

**Facility reference number**

Facility 6

**Facility name (optional)**

Facility 6

**Country/Area & River basin**

India	Godavari
-------	----------

**Latitude**

19.88

**Longitude**

75.34

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

31.89

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

31.89

**Total water discharges at this facility (megaliters/year)**

14.1

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

9.24

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**



0

**Discharges to third party destinations**

4.86

**Total water consumption at this facility (megaliters/year)**

17.79

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 7

**Facility name (optional)**

Facility 7

**Country/Area & River basin**

Mexico	Other, please specify (Rio Grande)
--------	------------------------------------

**Latitude**

31.62

**Longitude**

-106.36

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

88.75

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

88.75

**Total water discharges at this facility (megaliters/year)**

88.75

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

88.75

**Total water consumption at this facility (megaliters/year)**

0

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 8

**Facility name (optional)**

Facility 8

**Country/Area & River basin**

Mexico	Other, please specify (Rio Grande)
--------	------------------------------------

**Latitude**

31.61

**Longitude**

-106.39

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

84.07

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

4.43

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

79.64

**Total water discharges at this facility (megaliters/year)**

83.81

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

4.17

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

79.64

**Total water consumption at this facility (megaliters/year)**

0.26

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 9

**Facility name (optional)**

Facility 9

**Country/Area & River basin**

Mexico	Balsas
--------	--------

**Latitude**

19.17

**Longitude**

-98.4

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

24.57

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

24.57

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

19.01

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

19.01

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

5.56

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 10

**Facility name (optional)**

Facility 10

**Country/Area & River basin**

Indonesia	Other, please specify (GHAAS Basin 1666)
-----------	--

**Latitude**

-6.35

**Longitude**

106.86

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

34.34

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

34.34

**Total water discharges at this facility (megaliters/year)**

3.23

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

3.23

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

31.11

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 11

**Facility name (optional)**

Facility 11

**Country/Area & River basin**

Puerto Rico	Other, please specify (GHAAS Basin 1834)
-------------	--

**Latitude**

18.259163

**Longitude**

-65.977901

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

269.61

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

28.11

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

241.5

**Total water discharges at this facility (megaliters/year)**

173.76

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

173.76

**Total water consumption at this facility (megaliters/year)**

95.85

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 12

**Facility name (optional)**

Facility 12

**Country/Area & River basin**

Belgium	Meuse
---------	-------

**Latitude**

51.31

**Longitude**

4.87

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

612.43

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

79.74

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

532.69

**Total water discharges at this facility (megaliters/year)**

501.04

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

501.04

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

111.39

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

**Facility reference number**

Facility 13

**Facility name (optional)**

Facility 13

**Country/Area & River basin**

Italy	Other, please specify (GHAAS Basin 4131)
-------	--

**Latitude**

41.694822

**Longitude**

12.590745

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

442.06

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

442.06

**Withdrawals from groundwater - non-renewable**

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

63.32

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

63.32

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

378.74

Comparison of total consumption with previous reporting year

Lower

**Please explain**

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. Thresholds are determined by much higher/much lower being greater than 50%. This volume is expected to decrease in the future as a result of projects to achieve our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites.

---

W5.1a

---

**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?**

**Water withdrawals – total volumes**

**% verified**  
76-100

**What standard and methodology was used?**

Information relevant to our Health for Humanity 2020 Goals, including water KPIs, undergo 3rd party review, similar to verification, for public reporting.

**Water withdrawals – volume by source**

**% verified**  
76-100

**What standard and methodology was used?**

Information relevant to our Health for Humanity 2020 Goals, including water KPIs, undergo 3rd party review, similar to verification, for public reporting.

**Water withdrawals – quality**

**% verified**  
76-100

**What standard and methodology was used?**

All sites must verify drinking water quality and use an accredited lab for review.

**Water discharges – total volumes**

**% verified**  
76-100

**What standard and methodology was used?**

Information relevant to our Health for Humanity 2020 Goals, including water KPIs, undergo 3rd party review, similar to verification, for public reporting.

**Water discharges – volume by destination**

**% verified**  
76-100

**What standard and methodology was used?**

Information relevant to our Health for Humanity 2020 Goals, including water KPIs, undergo 3rd party review, similar to verification, for public reporting.

**Water discharges – volume by treatment method**

**% verified**  
76-100

**What standard and methodology was used?**

Information relevant to our Health for Humanity 2020 Goals, including water KPIs, undergo 3rd party review, similar to verification, for public reporting.

**Water discharge quality – quality by standard effluent parameters**

**% verified**  
76-100

**What standard and methodology was used?**

All sites have to have a verification of their effluent water quality and use an accredited lab for measurements.

**Water discharge quality – temperature**

**% verified**  
76-100

**What standard and methodology was used?**

All sites have to have a verification of their effluent water quality and use an accredited lab for measurements.

**Water consumption – total volume**

**% verified**  
76-100

**What standard and methodology was used?**

Information relevant to our Health for Humanity 2020 Goals, including water KPIs, undergo 3rd party review, similar to verification, for public reporting.

**Water recycled/reused**

**% verified**  
76-100

**What standard and methodology was used?**

Information relevant to our Health for Humanity 2020 Goals, including water KPIs, undergo 3rd party review, similar to verification, for public reporting.

---

**W6. Governance**

---

**W6.1**

---



**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

W6.1a

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	Methods to share the content of our water policies to the public include: 1) our Position on Water and Waste Management (describes our dependence and business impact on water, commitments beyond regulatory compliance, water stewardship and/or collective action, water-related innovation, and the links between water and climate change); 2) our Position on the Human Right to Water (as defined by the United Nations); 3) our annual Health for Humanity sustainability report (describes our company water targets and goals and commitment to stakeholder awareness and action); 4) our J&J Responsibility Standards for Suppliers, and 5) our Position on Impact of Pharmaceuticals and Personal Care Products in the Environment (PCPE). The rationale for this scope is to cover material water topics in our direct operations and value chain and demonstrate our commitment to these topics.

W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Other C-Suite Officer	J&J's corporate governance structure is comprised of an external Board of Directors and an internal management leadership group – the Executive Committee. The individual with responsibility for water-related issues is the Executive Vice President & Chief Global Supply Chain Officer. As a member of the Executive Committee, and management member of the Regulatory Compliance Committee and Science, Technology & Sustainability Committee, this position has direct oversight of the Environmental Health, Safety & Sustainability Department. Responsibility for water-related issues have been assigned to this position because it has direct responsibility for many inter-related climate & water-related risks and opportunities, including all aspects of Supply Chain for J&J's business segments. One example of a water-related decision made by this individual/committee: this position approved water-related Health for Humanity 2020 goals in 2016.

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	Every quarter each subject matter expert (SMEs) for relevant Health for Humanity 2020 Goals provides a briefing to the Worldwide Vice President, Environmental Health, Safety & Sustainability (VP, EHS&S) regarding progress. This includes progress towards our water risk assessment goal. The VP, EHS&S provides regular updates (at least quarterly) to the Executive Vice President and Chief Global Supply Chain Officer, who is a member of the Company’s Executive Committee, and a management representative on the Science, Technology & Sustainability Committee (STSC) of the J&J Board of Directors. Relevant subject matter experts present updates on the progress towards goals and targets to the STSC at least annually. The Executive Vice President and Chief Global Supply Chain Officer has ultimate approval over all water risk strategy, policies, and release of water risk-related information. Many of these topics would be scheduled line items only if there were new policies implemented. Otherwise, these would be as important matters arise. Additionally, several of these mechanisms have water risk integrated into the process but may not be reported to the board as a specific line item unless it is critical or requires additional input. For example, only the top risks are presented when an acquisition is presented to the Board, of which water is not likely to be at the top. Similarly, water budgets are typically handled through business segments but may have further review if needed.

W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

More frequently than quarterly

**Please explain**

The Worldwide Vice President of Environmental Health, Safety & Sustainability (VP, EHS&S equivalent to CSO) reports to the Executive Vice President and Chief Global Supply Chain Officer (CGSCO-the highest level of responsibility), who is a member of the company's Executive Committee. The VP, EHS&S reports to the CGSCO quarterly or more frequently on metrics that provide insight on progress towards water-related Health for Humanity 2020 Goals. Several lines of business directly responsible for sustainability issues, including water risk, report to the VP, EHS&S. This individual is the Business Lead for Health for Humanity 2020 Goals, which include water as one of the focus areas. For example, when J&J determined that a water risk goal was more appropriate than an absolute water use reduction goal (as climate change will have a localized effect on water in the future), SMEs within EHS&S determined an appropriate course of action and worked with the VP, EHS&S to finalize the approach.

**Name of the position(s) and/or committee(s)**

Sustainability committee

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Not reported to board

**Please explain**

The J&J Enterprise Governance Council (EGC) is comprised of senior leaders who represent our three business segments and our global enterprise functions with line of sight to, and ability to impact, Environmental Social & Governance (ESG) issues. The EGC has a formalized process and protocols for this governing body, including the quarterly assessment of an ESG priority topics scorecard, proprietary reputational research on our identified ESG priority topics, and ongoing elevation of topics for further review and assessment. The Enterprise Governance Council Working Group (EGCWG) has accountability for tracking and managing the Health for Humanity 2020 Goals, UN SDG commitments, and our Health for Humanity Report, and works proactively across the enterprise to foster engagement around goal progress and commitments. Water risk is included as one of the topics in EGC's remit because of its oversight of a broad number of highly inter-related sustainability topics.

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

**W6.4a**

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Purchasing Officer (CPO) Other C-suite Officer (Executive Vice President & Chief Global Supply Chain Officer)	Supply chain engagement Other, please specify (Implementation of water risk mitigation plans)	The CPO is ultimately responsible for the success of J&J Procurement function and the achievement of our Health for Humanity 2020 Goal to enrol suppliers covering 80% of our spend in the Sustainable Procurement Program. Bonuses are awarded as a result of meeting several criteria, including achievement of the Health for Humanity 2020 Goals. Our CPO strongly believes that by collaborating with our partners to strengthen the social, environmental and economic performance of our supply chain, we are driving sustainability efforts beyond our four walls and strengthening J&J as well. Executive Vice President and Chief Global Supply Chain Officer has oversight of our Health for Humanity 2020 Goals, which include water-related goals. Bonuses are awarded as a result of meeting many criteria, which may include progress against J&J's Health for Humanity 2020 Goals.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

- Yes, trade associations
- Yes, funding research organizations

W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

J&J defines strategic imperatives as well as internal policies and implements processes to assure adherence to policies. For example, J&J’s Statement on Human Right to Water and Position on Water and Waste Management was reviewed by senior management and is shared publicly with all stakeholders on our website. The Science, Technology & Sustainability Committee of J&J’s Board of Directors regularly reviews the Company’s policies, programs and practices on environment, health, and sustainability, including enterprise goals directed at water risk.

If inconsistencies are discovered: We are a member of trade associations that advocate for our industry and market-based health solutions, and we provide financial support to several policy development organizations and think tanks. We acknowledge that we may not align with or support every public position each of these broad-based groups take. However, when we do disagree with a position, we have a range of approaches we can employ to respond, and we believe that our dissenting voice has greater impact as a member of these organizations. We take input from our stakeholders and determine how best to express our views to an organization— from simply declining to participate in certain initiatives sponsored by the organization, to partnering with other members to amplify our viewpoint both within the organization and externally, to reaching out directly to the organization’s leadership to examine a possible change in position.

W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

No, and we have no plans to do so

W7. Business strategy

W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	Water-related issues are integrated as part of our overall sustainability approach that closely links business strategy, including water, to our long-term business objectives. Environmental health, including water risk, is a focus area of our sustainability approach because water supply and quality is vital to the importance of our operations, and climate change is anticipated to impact the availability of water in the future. Water issues integrated into our long-term business objectives include: water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management, regulatory requirements, total water use, economic implications (water spend), and reputational impacts. These issues are analyzed and prioritized in our comprehensive water risk assessment process. This decision was taken to mitigate water risk to minimize the probability of supply chain disruptions, associated loss of revenue, and reputational concerns. With a longer-term outlook (11-15 years) we can set 5-year interim goals such as our Health for Humanity 2020 Goals to ensure we have measurable KPIs that keep us on track for long-term our business objectives. Risk mitigation plans incorporate both immediate concerns as well as long-term viability of water given current and project water use.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	The strategy for achieving our long-term objective to mitigate water risk is our corporate Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites. Resource protection plans consider water issues such as water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management, regulatory requirements, total water use, economic implications (water spend), and reputational impacts. This decision was taken to incorporate water risk in our corporate goals in order to use an existing program with past successes. With a longer-term outlook (11-15 years) we can set 5-year interim goals such as our Health for Humanity 2020 Goals to ensure we have measurable KPIs behind our long-term strategy that keep us on track. Our guiding strategy is to take a long-term approach to environmental and water stewardship. Caring for the environment and respecting the earth’s finite resources have been enshrined in Our Credo (written in 1943) as a fundamental element of business’s role in society for decades, which calls for “protecting the environment and natural resources”, among other principles.
Financial planning	Yes, water-related issues are integrated	11-15	Water-related issues are integrated into our financial planning process through either our water risk assessment program or indirectly through our CO2 Capital Relief Program. While this capital fund is specifically for projects with a carbon benefit, there are many instances where there is a similar water improvement, and many water projects are currently funded through this dedicated allocation of \$40 million available per year. We are working to further integrate water projects into this dedicated capital funding approach. With a longer-term outlook (11-15 years) we can set 5-year interim goals such as our Health for Humanity 2020 Goals to ensure we have measurable KPIs around which financial planning can occur. J&J recognizes that mitigating climate risk, including water, requires a long-term planning time. Water issues integrated into our long-term business objectives include: water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory, total water use, economic implications (water spend), and reputational impacts. These issues are analyzed and prioritized in our comprehensive water risk assessment process.

W7.2

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

**Water-related CAPEX (+/- % change)**

54

**Anticipated forward trend for CAPEX (+/- % change)**

-25

**Water-related OPEX (+/- % change)**

1.2

**Anticipated forward trend for OPEX (+/- % change)**

3.6

**Please explain**

CAPEX investment has been increasing as a result of our Health for Humanity 2020 goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites. To complete our goal on time, CAPEX spend is expected to peak in 2018 and slightly decrease in 2019 and 2020. OPEX anticipated forward trend is calculated by taking the compound annual growth rate (CAGR) from 2017 to 2019. Water-related expenditures for CAPEX include 33 projects implemented or budgeted in 2019 in many facilities throughout the world, including Asia Pacific, EMEA, North America, and Africa. Water-related OPEX expenditures include water withdrawal and discharge costs (mainly to third parties such as water utilities and wastewater treatment plants).

**W7.3**

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	Use of climate-related scenario analysis	Comment
Row 1	Yes	Our risk assessment model specific to water features several tools that use climate-related scenario analysis, such as the WRI Aqueduct, Water Supply Stress Index Model (WaSSI), Water Risk Filter, and Socio-Economic Design and Applications Center (SEDAC). J&J also undertook a qualitative climate-related scenario analysis in line with the TCFD recommendations in 2018. Nine existing climate scenarios were evaluated covering transitional and physical risks, with the IEA's 2018 World Energy Outlook (WEO) selected as a reference for transitional risks and the IPCC AR5 selected as reference for physical risks. Indicators including carbon pricing, political instability, sustainable material substitution, commodity availability, fossil fuel cost, consumer awareness and stakeholder concern, severe weather events, long-term shifts in climate patterns, and growth for sustainable business were developed and assessed under a business as usual (BAU) and Low-Carbon.

**W7.3a**

**(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?**

Yes

**W7.3b**

**(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?**

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	IEA Sustainable Development Scenario Other, please specify (Sector-specific tools modeling H2O risk)	In addition to J&J's Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites by 2020, J&J also undertook a qualitative climate-related scenario analysis in line with the TCFD recommendations in 2018. Related to the Health for Humanity Goal, our risk assessment model features several tools that use climate-related scenario analysis, such as the WRI Aqueduct, Water Supply Stress Index Model (WaSSI), Water Risk Filter, and Socio-Economic Design and Applications Center (SEDAC). These tools model the impacts of water availability under various climate change scenarios, which are used to categorize water risk at a site. This information is used with other risk model inputs to evaluate scenarios of water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, waste water management and regulatory issues, total water use, economic implications (water spend), and reputational impacts. Related to the TCFD-aligned climate-related scenario analysis, J&J identified physical risks such as long-term shifts in weather patterns leading to water stress and drought, which could impact higher prices for raw materials.	Operational or strategy response to water-related outcomes: J&J has responded to scenario analysis as part of our water risk assessments by creating mitigation plans for all sites categorized by high water risk. The results and approach from the TCFD-aligned scenario analysis is also being used to inform J&J's next generation sustainability goals, which may include water targets. Anticipated timescale for responses: By the end of 2019, 100% of all high-risk sites identified developed mitigation plans and budgeted for their implementation in 2020; 35% of these have already completed their mitigation plans. Some aspects of this program are likely to continue in the medium-term future as we evaluate updates to our next generation sustainability goals.

**W7.4**

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

No, but we are currently exploring water valuation practices

**Please explain**

J&J is exploring water pricing as one approach to strategic, operational and financial planning. In the past several years we have shifted focus to water risk rather than absolute water reductions. This is reflected in our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites. By the end of 2019, 100% of all high-risk sites identified developed mitigation plans and budgeted for their implementation in 2020; 35% of these have already completed their mitigation plans. While our current process is using existing funding mechanisms in combination with mitigation plans to prioritize water reductions in areas of high stress, we may incorporate other mechanisms such as a dedicated water capital fund, or an internal price on water.

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Our approach to water-related targets and goals is to improve water efficiency across our operations by reducing water demand and increasing water reuse, and to prioritize water management actions using a risk-based approach that accounts for location-specific water risks at our sites worldwide. Our J&J Health for Humanity 2020 Goal (an enterprise-wide goal) is to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites, and implement resource protection plans at high-risk sites, which can involve site-specific targets. By the end of 2019, 100% of all high-risk sites identified developed mitigation plans and budgeted for their implementation in 2020; 35% of these have already completed their mitigation plans. Enterprise-level goals are also tracked at the business level, where each business segment tracks the status of relevant sites and progress towards any targets. Targets are also cascaded to the site-level in two ways. If a site is identified as high-risk, a site-specific target may be implemented as part of a site Water Risk Mitigation plan for progress towards our Health for Humanity 2020 Goal. Additionally, we certify all manufacturing and R&D sites to ISO 14001 Environmental Management System Standard within three years of establishment or acquisition. Under this certification, sites must define environment aspects and impacts and evaluate the relevance of water, among other things. In some cases, continuous improvement plans may be implemented with site-specific targets. We ensure targets and goals reflect geographic, regulatory and other contextual factors through an in-house risk assessment tool that leverages several water stress models, regional/site media coverage on water risks, local regulatory factors, site wastewater management and watershed health, water use and costs, in addition to many other inputs and processes. Any site-specific goals are integrated into this risk assessment process and formalized in Business Continuity Plans and Risk Mitigation Plans. Water usage is tracked in dedicated internal databases and monitored on a frequent basis (either quarterly or annually) at both a site and corporate level.

**W8.1a**

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Other, please specify (Risk Mitigation Plans - High-Risk Sites)

**Level**

Company-wide

**Primary motivation**

Risk mitigation

**Description of target**

Our approach to water-related targets and goals is to improve water efficiency across our operations by reducing water demand and increasing water reuse, and to prioritize water management actions using a risk-based approach that accounts for location-specific water risks at our sites worldwide. Our J&J Health for Humanity 2020 Goal is to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites, and implement resource protection plans at high-risk sites, which can involve site-specific targets.

**Quantitative metric**

Other, please specify (Budget Allocated - High-Risk Sites)

**Baseline year**

2015

**Start year**

2016

**Target year**

2020

**% of target achieved**

100

**Please explain**

By the end of 2019, 100% of all high-risk sites identified developed mitigation plans and budgeted for their implementation in 2020; 35% of these have already completed their mitigation plans.

---

**Target reference number**

Target 2

**Category of target**

Other, please specify (Water risk assessments)

**Level**

Company-wide

**Primary motivation**

Risk mitigation

**Description of target**

Our approach to water-related targets and goals is to improve water efficiency across our operations by reducing water demand and increasing water reuse, and to prioritize water management actions using a risk-based approach that accounts for location-specific water risks at our sites worldwide. Our J&J Health for Humanity 2020 Goal is to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites, and implement resource protection plans at high-risk sites, which can involve site-specific targets.

**Quantitative metric**

Other, please specify (Risk Assessments Conducted)

**Baseline year**

2015

**Start year**

2016

**Target year**

2020

**% of target achieved**

100

**Please explain**

Our J&J Health for Humanity 2020 Goal is to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites by 2020. In order to implement resource protection plans within this timeframe, it was necessary to conduct the water risk assessment before 2017. As of 2017, J&J has conducted a risk assessment of all manufacturing and R&D sites and is on track to achieve this target.

---

**W8.1b**

**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Other, please specify (Prioritize water actions with risk lens)

**Level**

Company-wide

**Motivation**

Risk mitigation

**Description of goal**

Our J&J Health for Humanity 2020 Goal is to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites, and implement resource protection plans at high-risk sites, which can involve site-specific targets. The Health for Humanity 2020 Goal is important to J&J because water is a vital resource to our operations (in alignment with our water dependency as reported) and implementing water risk mitigation plans in 31 locations worldwide where water risk has been identified aids in the resiliency of our business. Our approach to water-related targets and goals is to improve water efficiency across our operations by reducing water demand and increasing water reuse, and to prioritize water management actions using a risk-based approach that accounts for location-specific water risks at our sites worldwide. This goal was chosen at a corporate level to ensure that local water risk realities would be prioritized appropriately throughout our organization even if local water cost do not meet traditional capital investment requirements, in alignment with the vital importance of water quality and quantity to our operations. J&J is implementing the goal by conducting local assessments and tracking centrally company-wide to ensure that activities outlines in site-specific risk mitigation plans are appropriately prioritized.

**Baseline year**

2015

**Start year**

2016

**End year**

2020

**Progress**

Indicators used to assess progress are development of detailed mitigation plans with budget allocated for implementation. The threshold for success is measured by percent of high-risk facilities sites with detailed mitigation plans having budget allocated for implementation; interim goals include 22% in 2017, 47% in 2018 and 100% in 2019. By the end of 2019, 100% of all high-risk sites identified developed mitigation plans and budgeted for their implementation in 2020; 35% of these have already completed their mitigation plans.

**W9. Verification**

**W9.1**

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, but we are actively considering verifying within the next two years

**W10. Sign off**

**W-FI**

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**W10.1**

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	Executive Vice President and Chief Global Supply Chain Officer, member of the company's Executive Committee	Board/Executive board

**W10.2**

**(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

No

**SW. Supply chain module**



SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	82059000000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

This is confidential

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms