In Quirimbas National Park, Mozambique, villagers faced severe food shortages caused by an unusual drought. World Wildlife Fund, with support from Johnson & Johnson, created a fishing sanctuary to promote food security and offer continued fishing catches for nutritional value.
Johnson & Johnson has prepared this report to discuss its environmental, health, safety, social and economic programs and performance during 2005. Topics were selected in response to stakeholder interest and with consideration of the Global Reporting Initiative (GRI) 2002 Sustainability Reporting Guidelines. A keyword index, including references to specific GRI indicators, can be found at the end of this report. For further information about GRI, please visit www.globalreporting.org.

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JOHNSON & JOHNSON 2005 SUSTAINABILITY REPORT

Photograph © Martin Harvey/Galae Images/Getty Images
We have organized this report to align with Our Credo — the statement of beliefs that guides our business decisions and our day-to-day work efforts. The Johnson & Johnson Credo, printed on page 2 of this report, is a unifying force across our decentralized global operations. Simply put, it defines our approach to sustainability.

For additional information, visit us at www.jnj.com. We also invite your feedback on this report by e-mailing us at: csr@corus.jnj.com.
Our Credo

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

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

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

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

Johnson & Johnson
Chairman’s Message

It is with pleasure and gratitude to all our employees that I introduce the 2005 Sustainability Report for Johnson & Johnson. In this report, we describe our continued commitment to sustainable growth and present our efforts in fulfilling our responsibilities to customers, employees, communities and shareholders under the guidance and inspiration of Our Credo.

We are fortunate to live in a time when medical science is advancing so rapidly with new treatments for illness and disease. It is exhilarating to be part of an organization whose employees are determined to be at the forefront of delivering innovative, life-enhancing products across every segment of health and personal care. Because of this determination, Johnson & Johnson continues to be the world’s most comprehensive and broadly based manufacturer of health care products, as well as a provider of related services. We look with confidence at our future opportunities and challenges.

As a major global corporation, Johnson & Johnson interacts with a diverse group of stakeholders. Every working day, our employees are engaged in a multitude of dialogues around the world and across our various operating companies. We are listening to our customers, the health care professionals and consumers who rely on our products, so we can learn how to better serve their needs. As an employer, we are providing a safe workplace, encouraging healthy lifestyles, promoting a diverse work environment and providing resources for individuals to reach their professional and personal goals. We are partnering with environmental organizations to protect some of the most ecologically rich places on Earth. Through these and other sustainability efforts, we are seeking continued business success while preserving a healthy planet for future generations.

Our Credo sets out a clear path. I am reminded daily of this commitment and, like all Johnson & Johnson employees, I take it seriously. We will continue to work with our stakeholders as we transform that commitment into day-to-day practice. Our mission of helping people through innovative health care products and services demands no less.

William C. Weldon
Chairman of the Board and Chief Executive Officer

“We are listening to our customers, the health care professionals and consumers who rely on our products, so we can learn how to better serve their needs.”
Summary of Key Indicators

This table summarizes our 2005 performance in a number of areas, as well as our progress toward meeting stated goals. We collect and report data from our operating companies worldwide; external manufacturers are not included in these data. More information on our EHS performance is available later in this report. Use the index at the end of the document to locate particular topics of interest.

LOST WORKDAY CASE RATE
0.06 lost workday cases per 100 employees in 2005
50% reduction 2000-2005

SEVERITY RATE
1.40 lost workdays per 100 employees in 2005
49% reduction 2000-2005

SERIOUS INJURY/ILLNESS RATE
0.03 serious injuries/illnesses per 100 employees in 2005
25% reduction 2000-2005

FLEET RATE
4.86 accidents per million miles driven in 2005
29% reduction 2000-2005

FIRES
26 fires in 2005
35% reduction 2000-2005

ISO 14001 CERTIFICATION
GOAL: 100% of facilities receive third-party certification
ACTUAL: 96% of facilities third-party certified by year-end 2005

REVIEW OF NEW PRODUCTS, PROCESSES AND PACKAGING
GOAL: 100% of new products, processes and packaging reviewed for environmental impact
ACTUAL: 100% reviewed in 2005

REGULATORY COMPLIANCE
GOAL: Zero noncompliance events and accidental releases
ACTUAL: 13 Notices of Violation (NOVs)
2 penalties paid, totaling $5,819 U.S.
17 noncompliance events identified from 306 agency inspections
45 self-reported permit noncompliances
9 accidental releases

CONSERVATION & COMMUNITY OUTREACH
GOAL: 100% of facilities implement conservation/outreach plan
ACTUAL: 96% implemented such plans by year-end 2005

GOAL: 100% of high exposure facilities initiate a community forum
ACTUAL: 91% conducted community forums in 2005

ENERGY USE – CO2 EMISSIONS
GOAL: Absolute reduction in CO2 emission of 4% from 1990 to 2005 and 7% from 1990 to 2010
ACTUAL: 11.5% decrease in absolute CO2 emissions from 1990 to 2005

GOAL: 100% implementation of Energy Best Practices by year-end 2005
ACTUAL: 97% implementation by year-end 2005

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>WATER USE</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>RAW MATERIAL USE</td>
<td>5%</td>
<td>7.0%</td>
</tr>
<tr>
<td>PACKAGING USE</td>
<td>10%</td>
<td>8.2%</td>
</tr>
<tr>
<td>NONHAZARDOUS NONPRODUCT OUTPUT (NPO)</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>HAZARDOUS NPO</td>
<td>5%</td>
<td>27%</td>
</tr>
<tr>
<td>TOXIC NPO</td>
<td>5%</td>
<td>24%</td>
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</table>
The Johnson & Johnson Credo speaks to our responsibilities as a corporate citizen, specifically targeting the various stakeholders who share an interest in our programs and performance. We interact with these groups in a myriad of ways at all levels of our organization. Listening to others, establishing partnerships and sharing expertise helps us accomplish more than we can do on our own.

### Stakeholder Engagement at Johnson & Johnson

<table>
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<tr>
<th>STAKEHOLDER GROUP</th>
<th>CUSTOMERS AND BUSINESS PARTNERS</th>
<th>EMPLOYEES</th>
<th>COMMUNITIES</th>
<th>STOCKHOLDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONNECTION TO OUR CREDO</td>
<td>“The doctors, nurses, patients, mothers, fathers and all others who use our products and services ... Our suppliers and distributors”</td>
<td>“The men and women who work with us throughout the world”</td>
<td>“The communities in which we live and work and the world community as well”</td>
<td>“Our stockholders” – individual and institutional investors</td>
</tr>
<tr>
<td>APPROACHES TO CONSULTATION</td>
<td>Consumer panels, product information (print and web), sales calls, external website, marketing surveys, supplier assessments and site visits, supplier/vendor hotline</td>
<td>Annual Credo survey, employee hotlines, company intranet, print and electronic newsletters, communications from supervisors and management</td>
<td>Community forums, facility open houses, external website, Harris Poll on corporate reputation, industry and trade memberships, and partnerships with nongovernmental organizations</td>
<td>Annual financial and sustainability reports, JNJ.com, open question-and-answer sessions at stockholder meeting, surveys and meetings with socially responsible investor groups</td>
</tr>
<tr>
<td>INFORMATION GENERATED</td>
<td>New product ideas, product improvement suggestions, customer and supplier needs</td>
<td>Areas of satisfaction and dissatisfaction, departures from Credo, opportunities for improvement</td>
<td>Key issues and concerns (local, regional, global), public perception of Johnson &amp; Johnson</td>
<td>Direction of company, key issues and concerns regarding social responsibility, shareholder requests</td>
</tr>
<tr>
<td>HOW WE USE THE INFORMATION</td>
<td>New products, product design, service improvement</td>
<td>Action plans created to improve weak areas</td>
<td>Input for setting goals and objectives and for identifying ways company can improve</td>
<td>Input for business strategies</td>
</tr>
<tr>
<td>EXAMPLES (DISCUSSED ON THE FOLLOWING PAGES)</td>
<td>Working with physicians, business continuity planning, supply chain management</td>
<td>Living our values – Credo survey results, establishing Employee Assistance Program in Thailand</td>
<td>Schaffhausen facility design, developing Healthy Planet 2010 goals</td>
<td>Dialogue with socially responsible investors</td>
</tr>
</tbody>
</table>

### Key Sustainability Accomplishments for 2005

- **Johnson & Johnson remained a member of the Dow Jones Sustainability Index and the FTSE4Good Index in 2005. Both recognize companies with strong programs for environmental responsibility, corporate citizenship and shareholder return. See our many other distinctions on pages 47-48.**
- **CUSTOMERS**
  - Further deployed Business Continuity Planning process to ensure a continuous flow of products and services in the event of a natural or man-made incident. (p. 6)
- **ColLABORATED WITH A GROUP OF PHYSICIANS TO IMPROVE THE MEDICARE REIMBURSEMENT FOR ACUTE STROKE PATIENTS, WHICH IS EXPECTED TO RESULT IN BETTER STROKE CARE FOR PATIENTS. (p. 6)**
- **ADOPTED NEW GUIDING PRINCIPLES REGARDING HOW PRESCRIPTION DRUGS ARE ADVERTISED TO CONSUMERS. (p. 15)**
- **ADVANCED THE DISCOVERY AND DEVELOPMENT OF HIV/AIDS ANTIRETROVIRAL MEDICINES; THREE COMPOUNDS IN CLINICAL TRIALS. (p. 18)**
The Stroke Management Group (SMG) is a Johnson & Johnson strategic initiative which brings together operating companies from all sectors of the corporation (pharmaceutical, medical device and diagnostics, and consumer) to develop a portfolio of stroke therapies. SMG collaborated with a group of physicians in 2005 to address reimbursement policies for stroke patients. Working in conjunction with leading members of the health care community in the United States, SMG determined that hospitals were actually losing money when they treated acute stroke patients because they were reimbursed the same whether or not they aggressively treated those patients. The inequity in reimbursement presented a potential disincentive for providing the best possible stroke treatment to Medicare patients.

Johnson & Johnson’s Government Affairs and Policy department worked closely with these physicians to gather information and make multiple presentations before the Center for Medicare and Medicaid Services, the U.S. government agency that develops the reimbursement guidelines for medical treatments covered under Medicare. As a result of this collaboration, effective October 2005, Medicare now reimburses hospitals to use thrombolytic medications, like the clot-dissolving drug called tPA (tissue plasminogen activator) from Genentech Inc., to treat stroke patients. This reimbursement — which also covers diagnostic tests and other therapies needed to support the drug’s administration — is a significant change from Medicare’s former policy and should result in better stroke care for patients.

Johnson & Johnson has initiated a worldwide business continuity planning (BCP) initiative. The purpose is to ensure that our people, facilities and products remain safe and secure, and that our ability to serve customers remains uninterrupted in the event of a natural or man-made incident. Working in close partnership with the operating companies, we have developed a BCP process to maintain a state of preparedness in the event of a business interruption, including alternate capacity, critical equipment, materials and resources, and information management.

Our objective is for operating companies to have site-specific, robust plans that address both short-term and long-term strategies to achieve resumption of operations. Three areas form the foundation of BCP, which is embodied in a comprehensive plan developed by local management:

- **Emergency Response** addresses the roles of those departments responsible for handling the incident itself.
- **Incident Management** covers critical communications within the initial hours after the incident takes place. Communications with key customers, employees and other stakeholders is essential.
- **Operations Recovery** describes the means to get the site up and running again. Interdepartmental coordination involves operations, human resources, finance, marketing, sales, information management, customer support, facilities, and environment, health and safety.

### Key Sustainability Accomplishments for 2005

<table>
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<tr>
<th>EMPLOYEES</th>
<th>Completed computer workstation ergonomics assessments at 80 percent of our manufacturing and R&amp;D sites. (p. 20)</th>
<th>Reduced the percentage of employees who smoke, and who have high cholesterol or high blood pressure, through Healthy People initiatives. (p. 24)</th>
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<tr>
<td>Deployed a Safe Decisions for Life training and awareness module on fall protection, which reduced serious fall-related injuries by 28 percent. (p. 20)</td>
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We provide training sessions and workshops on how to develop a plan that covers a wide range of potential incidents on a regional and franchise basis. The plans are regularly tested and updated as needed. Tabletop exercises are conducted to confirm that senior site managers, who are ultimately responsible for recovery of the business, have a full understanding of the plan and can use it as a guide when faced with an incident that could severely compromise business continuity.

Recently developed, the BCP leadership competency model is targeted at recruiting future leaders to become responsible for leading the development of their site’s plan. Both technical and business leadership skills are essential for the success of the BCP initiative, so leaders are recruited from a wide range of disciplines. We are launching a BCP self-assessment tool, and we continue to benchmark business continuity initiatives with other businesses and industries.

In 2005, Johnson & Johnson continued its outreach efforts to improve the environmental, health and safety (EHS) performance of its suppliers. Our activities included efforts to improve process efficiency and reduce waste at small to medium-sized suppliers, continued EHS compliance audits of contract manufacturers and the development of a comprehensive set of external manufacturing standards related to business conduct, product quality, labor and employment, health and safety, and environmental protection.

Small and Medium-sized Suppliers – Sharing Our Success with Our Partners
In 2003 and 2004, Johnson & Johnson, together with the World Environment Center (WEC) and the U.S. Agency for International Development, implemented pilot projects in Mexico and Brazil to promote the adoption of cleaner production processes at small- and medium-sized supplier manufacturing sites. Since then, additional Johnson & Johnson suppliers in Mexico and Brazil have participated in this partnership.

Nine of Johnson & Johnson’s suppliers in Mexico attended workshops on incorporating cleaner production components into their manufacturing processes. As a result of these and on-site assessments conducted by the WEC, participating suppliers were able to identify, prioritize and implement projects that reduce waste, improve safety and lower costs. The nine Johnson & Johnson suppliers accounted for nearly $50,000 in savings during 2005. Examples include:

- Estratega Publicidad reduced cardboard scrap by 23 percent by using waste material to manufacture other products, such as calendars and cards.
- Novapack acquired a molding machine that lowered scrap materials by seven percent and energy consumption by three percent, while increasing productivity by 10 percent.
This machine paid for itself in less than a year due to cost savings.

- Imprenta Richi installed translucent plates in the walls and roof of its facility to make use of natural light rather than electric light. Energy consumption decreased by more than two percent (or 745 kilowatt-hours) per month. The use of natural light at the facility also improved the overall working conditions and well-being of employees.

In 2005, 12 Johnson & Johnson suppliers in Brazil participated in the program. Three of our operating companies in São José dos Campos have worked with several suppliers and environmental managers to identify and implement EHS improvements. For example, Macron Indústria Gráfica, a company that prepares printed product inserts, targeted reductions in solid waste and hazardous chemical use and implemented a formal health and safety management plan. The facility plans to apply for ISO 14001 certification in the near future.

External Manufacturers

In 2004, Johnson & Johnson expanded the scope of its EHS compliance assessments to include all of its external manufacturing partners, regardless of their size or volume of business with Johnson & Johnson. In 2005, we continued to work toward the goal of completing EHS compliance assessments at 100 percent of our external manufacturers. By the end of 2005, more than 90 percent of our estimated 900 external manufacturers had been assessed. Of the contract manufacturers audited, 83 percent were found to be performing adequately with 16 percent requiring some minor corrective actions. Less than one percent were found to have significant opportunities to improve performance. Before ending a business relationship with a poor performer, Johnson & Johnson will first work with the manufacturer to implement an aggressive improvement plan.

Johnson & Johnson also audited its contract manufacturers for compliance with its Employment of Young Persons Policy. Of the contract manufacturers audited, more than 99 percent were found to be in compliance with this policy.

In September 2004, we launched a process improvement project to revisit our program for assessing our contract manufacturers for acceptable EHS performance. The project continued throughout 2005 and resulted in the development of a comprehensive set of

Key Sustainability Accomplishments for 2005

**Environment**

- Concluded the 5-year Next Generation Goals for environmental performance. (p. 28)
- Used a stakeholder engagement process to develop new Healthy Planet 2010 goals. (p. 12)

- Became the largest corporate purchaser of wind power and the second largest corporate user of on-site solar power in the U.S. (p. 31)

- Created a new philanthropy Signature Program in support of the World Wildlife Fund — “Healthy Communities, Healthy Ecosystems.” (p. 41)
external manufacturing standards for business conduct, product quality, labor and employment practices, and EHS management. Johnson & Johnson plans to assess its external manufacturing partners for conformance to these standards and, when necessary, will work with these partners to identify agreed upon actions and schedules in order to achieve improvement. In future sourcing decisions, Johnson & Johnson will consider the external manufacturer’s ongoing performance and its progress in meeting these standards. We expect to communicate the new standards to contract manufacturers in 2006 and to introduce an improved assessment program in 2007.

The Johnson & Johnson Supplier Diversity Program is driven by a commitment to purchase goods and services from small and diverse businesses that, in turn, contribute to the economic vitality of their employees and the communities in which they operate. Robert Darretta, Chief Financial Officer and Vice Chairman of the Board of Directors of Johnson & Johnson, serves as the executive sponsor of the program.

As we have continued to grow our total sales revenues, the supplier diversity program also has increased year-over-year spending with small and diverse businesses. Combined purchases for goods and services by our operating companies and corporate offices in 2005 with women- and minority-owned businesses totaled approximately $846 million, an increase of 20 percent over the previous year.

Johnson & Johnson is an active supporter of the two largest advocacy groups in the United States for minority and women owned businesses, the National Minority Supplier Development Council (NMSDC) and the Women’s Business Enterprise National Council. We sponsor many national and local events, and participate in the ongoing work of these two organizations. In addition, for the past two years, Johnson & Johnson has sponsored both minority and women business owners for executive development programs at the Tuck School of Business at Dartmouth and the Kellogg School of Management at Northwestern University. In November 2005, Johnson & Johnson was named Corporation of the Year by the Puerto Rico Supplier Development Council, a regional affiliate of NMSDC.

Many Johnson & Johnson operating companies in the United States have selected a small business, East West Connection, to supply marketing promotional materials and premiums.

“We immerse ourselves in the culture of Johnson & Johnson and we have demonstrated that we can perform and deliver an excellent product, competitively priced, on-time delivery, and first-class customer service. Our relationship with Johnson & Johnson is not one of a vendor and company, but truly is a partner relationship.”

Ralph Weaver, President and owner of East West Connection, Pittstown, New Jersey, U.S.
In 1943, General Robert Wood Johnson wrote and published Our Credo, a one-page document outlining the corporation’s responsibilities (see the text of Our Credo on page 2 of this report). Johnson was a visionary — putting customers first among the Company’s stakeholders. More than 60 years later, the Credo remains Johnson & Johnson’s internal compass. It is our sustainability strategy and the filament that ties together our more than 200 operating units.

Johnson & Johnson annually conducts a global Credo survey of all employees — approximately 115,000 people in 57 countries — as a way to assess the Company’s performance in upholding its Credo principles. Translated into 48 languages, the survey has multiple choice responses and includes blank fields for written comments. Safeguards have been built into the survey process to ensure anonymity and encourage employees to respond freely. In 2005, employee participation in the survey topped 97 percent (compared to 92 percent in the previous survey). Results are shared with all employees by the management of the operating unit in which they work, and leaders are held accountable for developing and executing meaningful action plans.

Based on the last several surveys, employees’ perception of how well leadership demonstrates its commitment to Credo values is not only very favorable, but consistently improving. Employee engagement has been, and will always be, a key area of focus for Johnson & Johnson because high performing organizations are those that value and engage their workforce. As General Johnson wrote in his 1959 “Management Philosophy,” “The greatest responsibility of modern management is to develop the human intellect in order that it may express its talent.”

In October 2005, the Employee Assistance Program (EAP) was formally launched at Johnson & Johnson (Thailand) Ltd. A total of 116 employees participated in the launch, which included an orientation about the program and instruction on how to handle stress. Feedback since the launch shows that employees are appreciative of the company’s efforts to provide this benefit. After just three months of implementation, 10 percent of the workforce had already utilized the EAP. (See the Health section of this report, page 23 for more information about Johnson & Johnson’s EAP initiatives worldwide.)
Cilag AG, our pharmaceutical operating company in Schaffhausen, Switzerland, recently constructed a new chemical product handling center for storage of active pharmaceutical ingredients and other raw materials (solids, solvents, oxidative and water-reactive materials). We consolidated the operations from five of our former warehouses in different locations with just one building at this new facility, thus reducing road traffic.

In the design and planning of this facility, initiated in the first quarter of 2004, we engaged with a number of interested stakeholder organizations, including the World Wildlife Fund (WWF), Pro-Natura, VCS (the Swiss Association of Transport and Environment) and other environmental nongovernmental organizations (NGOs), as well as local government representatives of the canton and city of Schaffhausen and the neighborhood association. As a result of our discussions, we agreed to implement many sustainable features in the new building to address local environmental and social impacts, including the following design elements:

● We increased the distance of the building from a nearby creek to ensure that shadows do not impact spawning activities of amphibians. Using three-dimensional modeling, we confirmed that there would be no environmental impacts from shadows.
● We provided a “green roof” to attract wildlife, including birds, dragonflies and grasshoppers. Green roofs have a soil-like growing medium and vegetation on the roof. They are ecologically friendly because in addition to preserving habitat, they filter airborne particulates, collect and filter rainwater, and lower a building’s heating and cooling requirements — thereby conserving energy as well.
● We plan to use renewable energy, in the form of wood chips, to meet about 80 percent of the facility’s heating requirement. This will avoid the emission of about 200 metric tons of carbon dioxide annually.

By engaging stakeholders early in the planning process, we earned the support and trust for our project from the local population, the authorities and NGOs.
A crucial component of our leadership approach is setting goals and publicly reporting on our progress. The year 2005 marked the endpoint of the five-year duration of the Johnson & Johnson Next Generation Goals (NGGs) (see page 28). In developing a new set of sustainability goals, we began a comprehensive process in 2003 with significantly increased involvement of internal and external stakeholders.

We engaged in dialogue with representatives of NGOs, industry, socially responsible institutional investors, academia and governments in the United States and Europe. These conversations provided valuable insights on stakeholder expectations and emerging issues facing Johnson & Johnson and the entire health care industry. In addition, we examined the goals of highly rated companies both within and outside the health care industry, especially those that received outstanding ratings from third parties. We used feedback from interviews with more than a hundred managers across six Johnson & Johnson companies on a parallel project involving our Company values.

Building upon what we learned through this process, during 2004 and 2005 we developed our Healthy Planet 2010 goals, addressing the following areas:

- **COMPLIANCE**
  - Zero releases, violations, permit exceedances

- **ENVIRONMENTAL LITERACY**
  - Increased employee environmental literacy

- **BIODIVERSITY**
  - Enhanced biodiversity conservation

- **TRANSPARENCY**
  - Share facility specific sustainability information publicly

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

- **WATER USE**
  - 10 percent absolute reduction over 2005 levels

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

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

- **WASTE REDUCTION**
  - 10 percent absolute reduction over 2005 levels for both nonhazardous and hazardous waste

- **EXTERNAL MANUFACTURING**
  - New operating standards deployed and conformance measured

This set of goals is applicable to Johnson & Johnson facilities worldwide and goes beyond what is required by any government. Engaging every Johnson & Johnson employee, Healthy Planet 2010 embraces our responsibilities to the global community as defined by Our Credo. Operating companies are now beginning to collect baseline data. Progress reports against these goals will begin with next year’s sustainability report.
Johnson & Johnson recognizes the growing community of investors seeking broader information on non-financial performance as an important stakeholder. Through our observation and engagement with the analysts who evaluate corporate policies and performance on various aspects of corporate social responsibility, we continually assess our own systems and transparency, and we often learn of best practices at other companies.

In 2005, Johnson & Johnson was one of the first companies to hold an in-person meeting with SIRAN, the Social Investment Research Analyst Network. SIRAN is comprised of more than 100 analysts from 30 investment firms, research providers and affiliated investor groups. Among many topics of interest to the analysts, Johnson & Johnson shared details on our carbon dioxide (CO2) goal, our Climate Friendly Energy Policy and how we ensure that CO2 reduction projects secure financial backing.

SIRAN analysts gave us valuable feedback on areas where they would like to see more transparency from Johnson & Johnson. For example, one such area was our approach to stakeholder engagement. In response, we provide numerous stakeholder engagement examples throughout this report. We plan to continue periodically meeting with SIRAN.

**Key Stakeholder Issues**

**Access to Health Care**

Johnson & Johnson is focused on global growth and access to care in emerging markets. We continue to emphasize and build upon our global mindset, regional research and development initiatives, regional licensing and acquisitions, and sharing of knowledge and successes across our global Family of Companies.

Through partnerships with numerous NGOs, we sponsor programs that provide better access to health care services. In Africa, for instance, Johnson & Johnson has supported the United Nations Population Fund to identify and launch educational programs on prevention and treatment of obstetric fistula, a devastating maternal morbidity caused by prolonged and obstructed childbirth.

Over many years, Johnson & Johnson has partnered with hundreds of organizations that focus on increasing access to health care services for mothers and children in medically underserved regions. In the Tibet Autonomous Region, for instance, mortality rates are 10 times the national average in China. This is a result of several factors, including lack of health care infrastructure and capacity, limited transportation, dispersed population and poverty. Formed in 1999, the Safe Motherhood Initiative is a cooperative effort between UNICEF and the Chinese Ministry of Health that aims to reduce infant and maternal mortality rates. For two years, Johnson & Johnson has sponsored social mobilization efforts in five counties — promoting facility-based delivery as the critical strategy for reducing maternal and infant mortality through the integration of social mobilization, educational and training programs, community involvement and quality improvement of obstetric care. We support a similar Safe Motherhood program in the Philippines.

Another significant avenue for providing access is through direct product donations. Johnson & Johnson donates to several NGOs that conduct international relief efforts. As a founding member of the Partnership for Quality Medical Donations, we comply with the World Health Organization Guidelines for Donated Drugs, and we were among the first endorsers of those guidelines.

Beyond these efforts, individual Johnson & Johnson operating companies conduct access programs. One example is our Tibotec Pharmaceuticals Ltd. subsidiary, which provides TIBOZOLE™ (miconazole muco-adhesive tablet, MAT) for treatment of oro-pharyngeal candidiasis, the most common opportunistic infection in AIDS patients. The operating
Johnson & Johnson is deeply committed to summoning the skills and resources to address what is surely one of the most urgent health crises facing the world today, HIV/AIDS. We aspire to make a positive impact in the lives of those infected and affected by HIV/AIDS by developing new medicines and diagnostics, enhancing access to health care products and services, providing contributions to assist communities who are most vulnerable to HIV/AIDS, meeting our obligations to employees through workplace programs, and using our influence for good works.

Johnson & Johnson places significant emphasis on working with community-based organizations that have the greatest insight into the needs of underserved populations. Collaborations and partnerships with these experienced organizations ensure that the needs of local communities are being met in appropriate, meaningful and effective ways. Some of our global partners include:

- **The Collaborative Fund**, in cooperation with the Tides Foundation and the International Treatment Preparedness Coalition, creating opportunities for HIV-positive communities to determine funding priorities and provide grants to grassroots groups addressing treatment access and adherence
- **Elizabeth Glaser Pediatric AIDS Foundation**, preventing pediatric HIV/AIDS through programs that reduce mother-to-child transmission in resource-poor settings
- **The International Humana People to People Movement**, mobilizing communities through door-to-door education in South Africa through Humana’s Total Control of the Epidemic program
- **National AIDS Fund**, a U.S.-based grantmaking organization that helps develop innovative services for women and families affected by HIV/AIDS
- **United Nations Development Fund for Women** and the UNAIDS/Global Coalition on Women and AIDS, addressing links between violence against women and the spread of HIV/AIDS in 10 developing nations

Our goal is to improve the lives of those who are already impacted by the disease, help prevent the spread of HIV/AIDS and provide support to community caregivers.

In Latin America, an estimated 1.8 million adults and children are living with HIV/AIDS, approximately 580,000 of whom are women, according to the December 2005 UNAIDS/World Health Organization AIDS epidemic update. In 2005, approximately 66,000 Latin Americans died of AIDS and 200,000 people were newly infected with HIV. In 2005, Johnson & Johnson support included:

- operational upgrades to a pediatric AIDS hospital in Argentina
- training for health care workers to conduct door-to-door prevention and health care education activities in Brazil
- also in Brazil, training services for a family assistance program, as well as support of an outpatient care clinic and a community clinic for indigent children with HIV/AIDS and other serious illness
● health and social services, education, meals and general operations support to children’s orphanages in Chile, Colombia and Mexico
● general operations support to a national HIV/AIDS children’s hospital in El Salvador
● development of health and caregiver training modules for home- and community-based care for HIV/AIDS patients in the Dominican Republic
● hiring and training of additional counselors for an HIV testing site in Panama

Johnson & Johnson is partnering with NGOs in Africa, Asia and Europe on similar HIV/AIDS regional initiatives.

Direct-to-Consumer Advertising

The pharmaceutical businesses of Johnson & Johnson adopted new guiding principles in 2005 regarding the advertisement of prescription drugs directly to consumers in the United States. The intent of the guidelines, developed by the Pharmaceutical Research and Manufacturers of America (PhRMA), is to make direct-to-consumer (DTC) advertising more helpful for patients and health care professionals. Some of the key principles contained in the new guidelines include the following:

● Our operating companies should spend an appropriate amount of time educating health professionals about new medicines or new therapeutic indications before beginning DTC advertising.
● Our operating companies should submit all new DTC television advertisements to the U.S. Food and Drug Administration.
● DTC must be targeted to avoid audiences that are not age-appropriate for the messages involved.
● Our operating companies should no longer use “reminder” television advertising; that is, DTC advertising that identifies a product by name but does not state the indication the product is approved for or the major risks associated with the medicine.
● DTC advertising should strive for a balanced presentation of benefits and risks.

Use of Animals in Testing

We view the ethical and humane treatment of animals required for scientific investigation to be both a moral and regulatory responsibility. Our Policy on the Humane Care and Use of Animals for Laboratory Research emphasizes our commitment to the humane treatment of laboratory animals. It encourages the conservation of animal resources and promotes the use of alternative testing whenever possible. We fully respect the legislation in place in Europe that calls for replacement of animal testing for cosmetic products and their raw materials, and we help fund a cross-industry initiative researching alternatives to such testing.

Johnson & Johnson was among the first corporations to put firmly in place the principles of animal use known as the “3Rs”: replacement by finding alternatives to live animal testing, reduction by using the fewest number of animals possible and refinement by enhancing the animal use environment. We support a number of animal care and use organizations that are committed to promoting the 3Rs, including the American College of Laboratory Animal Medicine, Center for Alternatives to Animal Testing (part of Johns Hopkins University), European Biomedical Research Association, Institute for In Vitro Sciences, International Council for Laboratory Animal Science and Scientists Center for Animal Welfare. Johnson & Johnson companies recently inaugurated a 3Rs Award to inspire and reward scientists throughout our companies who devise novel techniques that replace, reduce and refine animal research in the development of new health care products. All of our facilities meet or exceed international regulations governing laboratory animal care and use.
SECTION TWO
Responsibility to Customers

Whether it’s analgesics or baby care, endoscopic surgery or interventional cardiology, oral care or wound care, Johnson & Johnson companies make products that help people live longer and stay healthier. We are convinced that an honest focus on the interests of patients, their families, and the doctors and nurses that serve them will position the Company for sustainable growth.

“We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality…”

From Our Credo
Corporate Profile

Johnson & Johnson, through its operating companies, is the world’s most comprehensive and broadly based manufacturer of health care products, as well as a provider of related services for the consumer, pharmaceutical and medical devices and diagnostics markets. Johnson & Johnson employs about 115,000 people in 57 countries around the world. Our 230 operating companies produce thousands of products spanning our three business segments:

Consumer - Includes products for skin and hair care, sanitary protection, wound care, oral care and baby care.

Pharmaceutical - Develops products in the following therapeutic areas: anti-fungal, anti-infective, cardiovascular, contraceptive, dermatology, gastrointestinal, hematology, immunology, neurology, oncology, pain management, psychotropic (central nervous system) and urology.

Medical Devices and Diagnostics - Product lines include surgical implants, instruments, wound closure devices, orthopaedic products for joint repair and replacement and for correcting spinal deformities, diagnostic and treatment products for diabetes management, contact lenses, clinical chemistry systems, medical devices, including circulatory disease management products, and diagnostics for identification of diseases.

Our customers include individual consumers as well as medical professionals, doctors’ offices, hospitals, clinics and other health care facilities.

Each business within the Johnson & Johnson Family of Companies has a high degree of independence. Our decentralized management philosophy seeks to foster growth and innovation. Corporate functions — such as health and safety, environmental affairs, quality and health care compliance — provide governance, standards, guidance and support to our operating facilities around the world.

Assuring Product Quality

Our organization’s quality practices grow from a deeply rooted commitment to delivering products of high quality, as stated in Our Credo and supported in our daily management and actions. As a result, our goal of global quality and compliance is embedded in every aspect of our business.

Tools such as Six Sigma and Design Excellence are part of our operating culture and are vital to producing quality products. With them, we determine the critical

INNOVATIVE PRODUCT HIGHLIGHTS

ACUVUE® OASYS™ – Although worn by millions of people without incident, contact lenses can be uncomfortable for people with dry eyes. Recognizing that people with dry eyes were underserved by existing contact lens technologies, Johnson & Johnson Vision Care, Inc., developed a new lens, the ACUVUE® OASYS™. This lens helps soothe the discomfort of dry eyes through a proprietary technology that creates a more wettable, ultra-smooth lens surface. Launched in 2005, OASYS™ reduces the need for rewetting drops.

CYPHER® sirolimus-eluting coronary stent – Introduced by Cordis Corporation in 2002, the CYPHER® sirolimus-eluting stent helps reduce reblockage of a treated coronary artery, one of the greatest challenges in cardiac care. The stent, coated with the pharmaceutical agent sirolimus, was the first drug-eluting stent introduced to the marketplace. It has now been used to treat more than 1.7 million patients with coronary heart disease.

REMICADE® – Centocor Inc., recently received approval from the U.S. Food and Drug Administration for the use of REMICADE® (infliximab) to treat ulcerative colitis (UC). This disease causes inflammation and sores in the lining of the large intestine. REMICADE® is the first and only biologic approved for the treatment of UC. Studies are also underway to obtain approval for REMICADE® as a psoriasis treatment.
factors that shape product quality, effectiveness and patient safety and in turn, our companies design their products and manufacturing processes to meet those requirements. In addition, we continually monitor our processes to proactively identify any defects that may arise. Our close monitoring continues on into the marketplace where Johnson & Johnson has built worldwide networks of health care professionals who collect customer feedback. We analyze this information to further ensure the safety of our companies’ products. This collective information assists us in learning how to continuously improve products and processes for our customers.

Johnson & Johnson employees are a key component in the delivery of quality products. To ensure they are experts in their field, we have designed global training programs that are consistent and relevant in their content and thus provide them with the skills they need to be quality and business leaders. To meet the needs of the constantly evolving regulatory environment, we interact regularly with health authorities, various standard setting bodies and professional organizations worldwide to help assure our quality systems are maintained and improved.

Meeting Customer Needs

Johnson & Johnson’s Credo commitment calls for us to manage our business for the long term — leveraging science and technology to serve the needs of consumers while creating strong value for our shareholders. From the invention of wound care and baby products in the late 1880s to today’s research and development breakthroughs, Johnson & Johnson companies continue to discover and develop innovative health care products. Johnson & Johnson has also focused a significant amount of effort in recent years in the area of HIV/AIDS in particular. We believe that this global health crisis requires the best innovation and expertise that we can bring to bear.

HIV/AIDS Advances in Science

Johnson & Johnson continues searching for ways to help people with HIV/AIDS live longer, healthier lives. We have a strong interest in supporting scientific research to address unmet medical needs. Our global virology franchise has developed therapeutic medicines to address the worldwide HIV/AIDS crisis, and research into new compounds continues.

Tibotec Pharmaceuticals Ltd.

Tibotec is advancing the search for new therapies that can help improve and save lives affected by HIV/AIDS in both the developed and developing countries of the world. The company plays a leading role in the discovery and development of innovative antiretrovirals (ARVs) including protease inhibitors, non-nucleoside reverse transcriptase inhibitors and other products. Tibotec has three ARV compounds in clinical development, including TMC114, a new protease inhibitor undergoing Phase III clinical trials in more than 30 countries.

Virco BVBA

Virco is active in research collaborations to evaluate the virological evolution of the HIV/AIDS pandemic and monitoring the emergence of HIV drug resistance globally. Virco scientists were among the first to develop HIV drug resistance tests, including VIRCO® TYPE HIV-1 and ANTIVIROGRAM®. Today, Virco provides doctors with diagnostic services for the management of HIV infection.

TransForm Pharmaceuticals, Inc.

This company, acquired by Johnson & Johnson in 2005, specializes in the discovery of superior formulations and novel crystalline forms of drug molecules. TransForm Pharmaceuticals is exploring breakthrough formulation technologies that may be applied to drug discovery processes for emerging ARVs and other treatment compounds.

For more information about our products and services, please see the Johnson & Johnson annual report or visit our web site at www.jnj.com.
Johnson & Johnson welcomes the opportunity to promote individual, organizational and community health in an increasingly complicated world. Business moves at breakneck speed; employees balance compelling professional and family demands; and natural disasters result in losses that are unfathomable. We are committed to providing resources that foster the physical and emotional well-being of our employees and their families through programs and initiatives delivered by professionals around the world.

“We are responsible to our employees, the men and women who work with us throughout the world…”

From Our Credo
Responsibility to Employees

Safety

Safe Decisions for Life

Safe Decisions for Life has served as a major platform across Johnson & Johnson for promoting personal responsibility for safety at work and at home. The campaign began in 2003 with a very successful module on hand safety. Hand-related safety incidents made up 21 percent of our total lost workday and serious injury cases in 2003; this proportion decreased to only 12 percent in 2004 after the campaign was rolled out.

A second Safe Decisions for Life module, fall protection, was launched in 2005 because falls were then responsible for 25 percent of our total injuries. All Johnson & Johnson employees — whether they work in a manufacturing facility, laboratory or administrative or sales office — are at risk of falling.

The new campaign provided branded materials to display, distribute and present during training. A toolkit was developed to guide our operating companies through the campaign launch, help them assess their workplaces and give them materials that employees could take home to promote off-the-job safety.

Some operating companies went beyond the toolkit and conducted creative interactive training of their own. Ethicon Sarl in Switzerland organized their launch activities in collaboration with SUVA, the Swiss occupational health and safety authority. They held an obstacle course competition with slip, trip and fall hazards and provided training on how to avoid injury when falling. Ethicon Switzerland had 85 percent of its employees participate in the campaign.

Although Johnson & Johnson has had a fall prevention initiative in place for nearly 10 years, our most noticeable improvement occurred during 2005, when serious fall-related injuries dropped 28 percent. We believe this was a result of the Safe Decisions for Life campaign.

Ergonomics

About 35 percent of Johnson & Johnson’s recorded injuries are ergonomics-related: repetitive strains and overexertions. In 1995, we initiated a global program we called ERGO to tackle this issue. It laid out a long-term process to enhance ergonomics awareness, risk management and injury prevention. In 2005, Vistakon Pharmaceuticals, LLC in Jacksonville, Florida, U.S., became the first Johnson & Johnson operating company in North America to achieve the highest level under the ERGO process, meaning it has fully integrated ergonomics risk awareness and injury prevention into its day-to-day safety culture.

The most recent focus of our global ERGO initiative has been risk mitigation in the manufacturing and computer areas. Approximately 50 percent of the high ergonomic risks in manufacturing have been mitigated to low risks. Using an on-line survey, computer workstation assessments were completed by 80 percent of employees at manufacturing and R&D sites. Results of the survey will be used to further identify and mitigate high risk at computer stations.

OSHA/PROSHA Ergonomics Partnership

Johnson & Johnson began a three-year strategic ergonomics partnership with the U.S. Occupational Safety and Health Administration (OSHA) in 2003. That relationship was strengthened in 2004 when our operating companies in Puerto Rico signed an agreement with the Department of Labor’s Puerto Rico Occupational Safety and Health Administration (PROSHA). The purpose of this agreement is to identify best practices among Johnson & Johnson facilities and share them with other industries and academic institutions to reduce the incidence and severity of occupational musculo-skeletal disorders. In August 2005, our Puerto Rico companies opened their doors to federal and state OSHA representatives.

An Ethicon employee participates in an obstacle course designed to increase awareness about fall hazards.
Office Health & Safety Program
While most of Johnson & Johnson’s work-related injuries occur in the manufacturing environment, our commitment to creating an injury-free workplace drove us to develop a computer-based office health and safety program. The program was designed for stand-alone sites not typically supported by a safety professional, such as sales and marketing, administrative and satellite offices. It provides a health and safety self-assessment and a management action plan to improve any potentially unsafe conditions or practices.

The program has been deployed in all of Asia Pacific’s stand-alone offices, which represent nearly 30 percent of the total stand-alone office units in Johnson & Johnson worldwide. Johnson & Johnson SDN. BHD., Malaysia has completed its safety inspection and addressed a number of findings. Johnson & Johnson (Hong Kong) Limited has implemented regular exercise breaks for office employees. And Xian-Janssen Pharmaceutical Ltd. in Xian, China, is about to launch the Mandarin version of this safety orientation.

Fleet Safety Program
Johnson & Johnson’s fleet safety program was started more than 10 years ago with the ultimate goal of all employees travelling safely every day. We developed the program for our worldwide fleet, which consists of approximately 35,000 vehicles, including sales representative cars and management/executive cars. We measure the performance of our program with the industry standard APMM (accidents per million miles driven). Since the program’s inception, we have reduced the APMM rate by more than 40 percent while our fleet has grown by about the same percentage. We attribute this success in part to the effectiveness of the program’s training. Our approach to training blends hands-on, behind-the-wheel experience with meeting-based group training and individual on-line training — supported by various multimedia awareness campaigns that have won many awards.

Helmets for Kids and Families
Motorbikes are the main mode of transportation in the Asia Pacific region, and few drivers or passengers wear helmets — including children who are driven to school. Launched in 2004 by the World Health Organization, with support from Johnson & Johnson companies, the Helmets for Kids community safety program began distributing protective motorcycle helmets to children in Vietnam. In 2005, Johnson & Johnson expanded the initiative in a number of ways.
Originally targeted at schools in Vietnam’s largest cities, helmets are now being distributed in Vietnam’s Quang Binh province, as well as in Thailand and Malaysia. Support for the effort in the form of “adopting” schools comes not only from Johnson & Johnson companies located in Asia, but also from our companies in the Middle East, Switzerland and the United States.

Helmets for Kids has also been expanded to a new Helmets for Families program, which aims to protect all Johnson & Johnson family members from head injuries. Helmets for Families has been successfully rolled out in China, India, Indonesia, Malaysia, Pakistan, Thailand and Vietnam. Through these programs for children and families, we have distributed more than 15,000 helmets across Asia. In recognition of Johnson & Johnson’s outstanding commitment to promoting all aspects of road safety, within our operations and in the wider Vietnam community, we were named a finalist for the Ford Community Award for Road Safety, presented by the Australian Chamber of Commerce in Vietnam.

In April, 2005, Johnson & Johnson Medical (China) Ltd. gave helmets to employees who ride motorbikes. One of these employees was involved in a traffic accident on her way home. Although she lost consciousness briefly and suffered a nosebleed, she was protected from more serious injury because she was wearing the helmet provided under the Helmets for Families program. The motto, “Wear it every time, wear it right” was reinforced with employees in China following this near miss.

This past November, a nine year old Vietnamese boy named Le Van Trung was riding his bicycle to school when he was hit by a truck. Trung lost consciousness and was rushed to the hospital with a broken leg and shoulder. Fortunately, he had been wearing a helmet provided through the Helmets for Kids program. Trung’s father, in a grateful letter to the program and his son’s school, said, “we feel very fortunate that our child doesn’t suffer any brain trauma... we believe the helmet has saved our son’s life.”

Worldwide Safety Results
professionals will be utilized to provide services that promote a true holistic view of health in which physical, emotional and psychosocial aspects of well-being are addressed.

“Move and Make it Matter”

Participating in physical activity at least four days per week is a key component of good cardiovascular, respiratory and emotional health. Johnson & Johnson employees are not alone in the challenge of balancing their busy lives with time for traditional exercise. To help our employees handle this dilemma, we utilized the expertise of mental health counselors, wellness professionals, occupational physicians and nurses to create a campaign of information, publicity and tools.

“The overall health of our employees, both mentally and physically, is as important as achieving a sales target.”

Dina Chiang, Assistant Product Manager, Janssen-Cilag, Taipei, Taiwan
SECTION THREE
Responsibility to Employees

from which employees could tailor solutions.

Employees were given pedometers to help them track the number of steps they take each day and to encourage them to take 10,000 steps daily — a recognized standard for improving health. Adding on to previous years’ efforts, in 2005 we distributed 7,000 pedometers to U.S. employees and about 2,500 outside the U.S. Our operating companies were encouraged to take the “Million Step Challenge,” combining their steps to reach one million. Leading by example, operating company physicians and executives kicked off this initiative by inviting employees to “Walk with the Doc.”

“Eat Complete”
Providing healthy food choices in our facilities requires a close partnership with cafeteria vendors to ensure that nutritionally sound, whole foods are offered to employees. The “Eat Complete” initiative was piloted at six locations in the United States to rave reviews from

Healthy People 2005 Targets and Progress

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>BASELINE¹</th>
<th>TARGET</th>
<th>2005 RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smoking TOBACCO USE</td>
<td>12%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>High Blood Pressure</td>
<td>Above 140/90</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>Cholesterol</td>
<td>Above 240 MG/dL</td>
<td>19%</td>
<td>8%</td>
</tr>
<tr>
<td>Inactivity</td>
<td>30 MINUTES OF PHYSICAL ACTIVITY AT LEAST 4 DAYS A WEEK</td>
<td>39%</td>
<td>20%</td>
</tr>
</tbody>
</table>

¹Health Profile results 1995 to 1999
This table summarizes our progress against our Healthy People 2005 goals. Results for 2005 are aggregated from voluntary, confidential Health Risk Assessments completed by more than 14,000 U.S. employees in 2005.

Stakeholder VOICES

“In October my biometrics were taken for the Health Risk Assessment by the occupational health nurse at Ortho-Clinical Diagnostics, Inc., and the results were not very good. In fact, following other tests it was confirmed that I have type II diabetes, something that was a shock to me. Aggressive treatment was started, and by June my biometric levels were within the appropriate range. I look better and feel better. I can actually say that without this program, it would have been too late for me to have my life back.”
An Ortho-Clinical Diagnostics, Inc., employee

BRIEFLY...
Healthy People Results
Tobacco-Free Policy
Employee Assistance

Above: In Shanghai, Johnson & Johnson Medical (China) Ltd. employees and their families enjoy themselves in outdoor activities. Top, right: Leading by example, company physicians and executives invited employees to “Walk with the Doc” at Xian-Janssen Pharmaceutical Ltd., China. Right: Jump ropes were provided to participants who chose to boost their cardio workout.
employees, and we anticipate expanding this program further. A number of facilities outside of the United States have already adopted similar approaches.

Working to Eliminate Cancer
Former U.S. President George H. W. Bush challenged executives to be “bold and venturesome” in considering the health of their employees and constituents and to “do something more about cancer prevention, diagnosis and treatment.” The CEO Roundtable on Cancer was formed to provide new hope to cancer patients and those who love them by making continual progress toward the elimination of cancer. Chaired today by Johnson & Johnson Chairman William C. Weldon, the Roundtable works to develop and implement initiatives that reduce the risk of cancer, enable early diagnosis, facilitate better access to best-available treatments, and hasten the discovery of novel and more effective diagnostic tools and anti-cancer therapies.

The Roundtable introduced the CEO Cancer Gold Standard™ — a series of cancer-related compliance practices for tobacco cessation, cancer screening and early detection, diet and nutrition, physical activity, and access to quality medical treatment and clinical trials. Those institutions able to adopt and meet the Roundtable’s principles are awarded the Gold Standard. This January, the Accreditation Review Board of the Roundtable announced that Johnson & Johnson fully satisfied the requirements of the Gold Standard and will be a Gold Standard organization for 2006 — one of the first companies to have earned this distinction.
Providing Opportunity for Disabled Workers
Janssen-Cilag S.A.S. in Val de Reuil, France is pursuing a unique partnership with the Association des Paralysés de France (APF), a national association that employs more than 11,000 disabled individuals. The mission of APF is to improve the social, financial and health situation of disabled persons by offering them work in an industrial setting and promoting their integration into that setting. Since 1999, Janssen-Cilag has contracted with APF teams to perform manual activities, such as finished goods shrink packaging, co-packing and displays, and visual inspection. They expanded this program in 2005 to more fully integrate the APF contractors within the workplace and provide them with access to all site support services.

Janssen-Cilag is providing an important placement opportunity for APF workers, with 33 contractors employed as of the end of December 2005 and more projected for 2006. Janssen-Cilag employees have responded very positively to the increased integration of APF contractors and the resulting improvement in the site’s social climate. In the 2005 Credo survey results, employees at Val de Reuil gave higher marks to the company in terms of ethical conduct and Credo behaviors, compared to the previous year.

“By drawing upon a broad base of knowledge and our global presence in health care, Johnson & Johnson can help bring hope and alleviate suffering for millions of people around the world.”

William C. Weldon, Chairman and Chief Executive Officer

Employment Policies and Practices

Global Workplace Policy on HIV/AIDS Introduced
In response to the global pandemic, Johnson & Johnson seeks to save lives, improve lives and prevent the spread of HIV/AIDS. We do this by learning from those living with the disease, listening to those working on the constantly changing front lines, and working in partnership with others to best apply our diverse talents and capabilities through research, diagnosis, treatment, prevention and community assistance.

Consistent with our longstanding commitment to employees worldwide, we introduced a Global Workplace Policy on HIV/AIDS in 2005. Our goal is to ensure that all our employees have access to HIV/AIDS treatment and support services. The policy provides for:
- non-discrimination and confidentiality protection for employees and their dependents living with HIV/AIDS
- voluntary counseling and testing programs
- care, support and treatment for employees and their dependents with HIV/AIDS
- prevention, education and awareness programs for all Johnson & Johnson employees and dependents

Employee Diversity
Our goal is to ensure our ability to meet the demands of a changing world with a vision worthy of our values. We are committed to be the leader in health care across the globe and the employer of choice in a dynamic global environment.

To achieve this vision, the Johnson & Johnson companies have built workforces that are increasingly skilled and motivated, and that reflect our diverse customer base in the markets we serve. Today’s employees represent different ages, cultures, gender, races and physical capabilities. Through their life experiences, they provide a diversity of thought and perspective that must be reflected in our corporate

By drawing upon a broad base of knowledge and our global presence in health care, Johnson & Johnson can help bring hope and alleviate suffering for millions of people around the world.”

William C. Weldon, Chairman and Chief Executive Officer

“By drawing upon a broad base of knowledge and our global presence in health care, Johnson & Johnson can help bring hope and alleviate suffering for millions of people around the world.”

William C. Weldon, Chairman and Chief Executive Officer
Initiative celebrated its 10th year in 2005. Its purpose is to explore the changing landscape of the leadership role of women within our operating companies, Johnson & Johnson globally, and the world of business overall. The Initiative continues today to be driven by women leaders, and is supported by Chairman and Chief Executive Officer William C. Weldon.

The Initiative’s theme is shared responsibility. It not only challenges managers to define and enhance the policies that will attract, develop and retain talented women, but also charges its senior women with mentoring and developing other women at Johnson & Johnson companies and taking responsibility for their own career development. The Initiative organizes conferences for senior managers and other participants from across our companies to discuss strategic business objectives and the role of women in obtaining business results. Strategic thinking seminars and skill-building workshops to augment the participants’ leadership capabilities are also offered. Throughout 2005, approximately 2,000 women attended these conferences. Three conferences were recently held in the continental United States, while international conferences, organized by geographic region, took place in Asia Pacific, Europe, Japan and Puerto Rico. An upcoming conference is scheduled for Latin America.

Women’s Leadership Initiative

Launched by a steering committee of women executives at Johnson & Johnson, the Women’s Leadership Initiative sets forth our responsibilities to our employees, and we embrace the differences and similarities of all our employees and prospective employees. We recognize their dignity and merit, their individuality, and the requirement for equal opportunity in employment, development and advancement for those qualified.

Over the years, Johnson & Johnson companies have fostered and encouraged the development of diverse workforces. To ensure our ability to recruit, develop, retain and promote exceptional talent from an array of backgrounds and geographies, while continuing our pursuit of excellence, our companies have developed and implemented innovative diversity and marketing initiatives.

Johnson & Johnson provides diversity training resources for use by employees from all of our companies. These resources include diversity awareness education in the form of instructor-led classroom training and Diversity University, a comprehensive internal website available to our employees worldwide. Course topics include diversity management best practices, self-assessment tools and mentoring.

Expanding Opportunities for Women

Johnson & Johnson K. K. in Tokyo, Japan, has been working with the Women’s Leadership Initiative since 2003 to improve opportunities for talented women in the workplace. Through training and work-life balance programs, the company has substantially increased the number of female managers and directors, and more women are entering the sales force. The company received an award in 2005 from the Tokyo Labor Bureau, Ministry of Health, Labor and Welfare, for promoting equal employment.

Family Care – Paid Leave for Birth or Adoption

In 2005, Johnson & Johnson launched a new employee benefit, the New Additions Program, which offers all employees of the Johnson & Johnson Family of Companies 5 days of paid family-care leave for maternity, paternity and adoption within 90 days of the birth or adoption of a child. The New Additions Program is designed to enable families to strengthen the parent-child bond during one of the most important periods in the child’s development. This paid leave is in addition to the pregnancy disability leave provided for mothers. Spouses and domestic partners are also eligible.
Environment

Johnson & Johnson has established a leadership role among multinational corporations in terms of ethical, Credo-based behavior and stewardship of the environment. We set high standards for our operating companies in the area of environmental responsibility — striving for performance that does not merely comply with regulations but reduces our environmental footprint.

We met or exceeded nearly all of our Next Generation Goals (NGGs) as of year-end 2005, the completion of the five-year NGG period. Our worldwide performance against these goals is shown on the following pages.

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

From Our Credo
Review of New Products, Processes and Packaging
As stated in the NGGs, Johnson & Johnson conducts an environmental assessment on all new products, processes and packaging that enter the feasibility or development stage. Using our Design for Environment (DfE) tool, we committed to build environmentally beneficial features into new products by partnering with R&D and other business development units. In 2005, Johnson & Johnson conducted DfE assessments on 100 percent of our new products, processes and packaging and over the five-year goal period, we have conducted more than 4,500 assessments.

In one example of the benefits derived from DfE, Janssen Pharmaceutica N V in Beerse, Belgium, achieved hazardous waste reductions in its chemical processes. By optimizing the synthesis of TMC125, an HIV therapy compound in late stages of development, R&D was able to create highly concentrated reaction conditions where minimal amounts of organic solvents are used. The overall yield of the synthesis was improved from 30 to 59 percent. Implementing the optimized route has drastically reduced the environmental impact of TMC125 production. Approximately 18,000 liters of solvent has been eliminated per 1,000 kilograms of TMC125 produced. Over the past five years, R&D has conducted more than 60 assessments using the DfE tool.

Compliance
The total number of noncompliance events at Johnson & Johnson operating facilities decreased significantly in 2005 compared to the previous year, dropping from 215 in 2004 down to 62 in 2005. During the year, Johnson & Johnson facilities received 306 environmental regulatory inspections, which identified 17 instances of noncompliance.

Under our standard procedures, any noncompliance event or accidental release at a Johnson & Johnson operating company must be reported to our Worldwide Environmental Affairs office within 72 hours of occurrence. We also track

Management Performance Indicators

<table>
<thead>
<tr>
<th>METRIC</th>
<th>NEXT GENERATION GOAL (NGG)</th>
<th>PERFORMANCE</th>
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<tbody>
<tr>
<td>Management Systems</td>
<td>All manufacturing, research and development sites obtain and maintain third-party ISO 14001 certification</td>
<td>As of year-end 2005, 106 out of 110 facilities (96 percent) were third-party certified</td>
</tr>
<tr>
<td>New Products, Processes and Packaging</td>
<td>Review all new products, processes and packaging for environmental impact during development</td>
<td>100 percent of new products, processes and packaging were reviewed for environmental impact in 2005</td>
</tr>
<tr>
<td>Regulatory Compliance</td>
<td>Zero noncompliance events and zero accidental releases on an ongoing basis</td>
<td>13 Notices of Violation (NOVs) received in 2005</td>
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<tr>
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<td>2 penalties paid, totaling $5,819 U.S.</td>
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<td>17 noncompliance events identified from 306 agency inspections</td>
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<td>45 self-reported noncompliances</td>
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<td>9 accidental releases</td>
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<tr>
<td>Conservation and Community Outreach</td>
<td>All manufacturing, research and development sites develop and implement site-specific conservation and outreach plans</td>
<td>As of year-end 2005, 96 percent of sites have conservation and outreach plans and are implementing them on schedule</td>
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<td>High exposure facilities initiate and maintain community forums</td>
<td>91 percent of high exposure facilities conducted community forums in 2005</td>
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self-reported breaches of environmental permit limits and requirements, regardless of the magnitude or environmental impact. Nearly all of our manufacturing and research facilities — more than 100 sites — have prescribed wastewater and air emission limits for numerous parameters. The number of agency-identified noncompliance events decreased from 21 in 2004 to 17 in 2005 and there were dramatically fewer self-reported instances of environmental permit limits being breached during 2005.

The number of wastewater permit breaches was reduced from 61 to 23, and the number of air noncompliances was reduced from 118 to 16. These reductions were largely due to installation of improved controls and continuing efforts to negotiate air and wastewater permits that have limits that can be complied with while continuing to protect natural resources. Furthermore, we established a strategic wastewater team to support our pharmaceutical manufacturing sites, and plans are underway to establish a similar team for consumer products facilities. Wastewater and air issues continue to represent the majority of our noncompliance events (63 percent of all noncompliance events in 2005) and will be an ongoing focus of our compliance efforts this year.

Our 2005 noncompliance events resulted in 13 Notices of Violation and two penalties paid totaling $5,819 U.S. One penalty was for a violation of the chemical oxygen demand (COD) permit limit in a sanitary wastewater discharge, and the other penalty resulted from a chromium wastewater limit violation.

Our sites reported nine accidental releases in 2005 for a sum total of approximately 30.2 cubic meters (8,000 gallons) of materials. These releases were primarily process wastewater. Each release resulted in an immediate and effective response, with no significant environmental impact.

Conservation and Community Outreach
The purpose of this goal was to improve community and regulatory relationships by increasing conservation, community and/or regulatory outreach and partnership activities. This goal was met with 96 percent of our facilities implementing site-specific conservation and outreach plans. Ninety-one percent of our higher exposure facilities initiated more two-way relationships (e.g., community forums). During the five-year goal period, Johnson & Johnson companies reported more than 60 Earth Day events, 60 tree planting events, 19 wetland preservation or restoration projects and 100 community education partnerships in addition to hundreds of other conservation projects. A few recent community/conservation examples are highlighted below.

- Johnson & Johnson (Thailand) Ltd. in Bangkok focuses its community outreach program on supporting reforestation projects. Working with the Thailand Department of Forestry, the company provides funding and volunteer labor to work on governmental planting and restoration projects. Besides improving community ties and promoting environmental awareness among our own employees, this initiative also provided about 25 tons of carbon dioxide sequestration over the past two years.

- The Noramco, Inc., plant in Wilmington, Delaware, U.S., is located between the low-income Southbridge and Eastside neighborhoods. Through dialogue with neighbors, the facility’s outreach team learned that education was a major area of concern and one where Noramco could help. In addition to providing educational enrichment grants and equipment donations, Noramco partnered with the Urban Environmental Center, a nearby community
organization, to sponsor a five-week program for teenagers during the summer of 2005. This Urban Stewards program helped students develop a better understanding of the man-made and natural aspects of their city environment.

- Dozens of operating companies around the world use Earth Day and World Environment Day celebrations as an opportunity to join with the community on an environmental project. At Johnson & Johnson, S.A. de C.V. in Puebla, Mexico, the company’s participation in Earth Day 2005 was marked by activities to educate and engage employees in protecting and improving the environment, in line with the theme Ciudades Verdes—Planear para el Planeta! (Green Cities—Planning for the Planet!). In collaboration with the state agency for Natural Resources and the Environment and a local NGO, the Puebla facility coordinated the planting of one thousand white cedar trees. Other Earth Day activities at the Puebla facility included a “Greener Cities” model building contest with reusable and recycled materials and the development and dissemination of pamphlets, bookmarks and backpacks to raise awareness for conservation.

### Operational Performance

<table>
<thead>
<tr>
<th>METRIC</th>
<th>NEXT GENERATION GOAL (NGG)</th>
<th>PERFORMANCE</th>
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<tbody>
<tr>
<td><strong>Energy</strong></td>
<td>By year-end 2005, 100 percent implementation of enhanced Energy Best Practices and 4 percent absolute reduction in CO₂ emissions from base year 1990</td>
<td>11.5 percent decrease in absolute CO₂ emissions 1990-2005</td>
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<td>By year-end 2010, 7 percent absolute reduction in CO₂ emissions from base year 1990</td>
<td>97 percent implementation of enhanced Energy Best Practices</td>
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<td><strong>Water</strong></td>
<td>By year-end 2005, 10 percent cumulative avoidance*</td>
<td>14 percent cumulative avoidance 2001-2005</td>
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<tr>
<td><strong>Raw Material (non packaging)</strong></td>
<td>By year-end 2005, 5 percent cumulative avoidance*</td>
<td>7.0 percent cumulative avoidance 2001-2005</td>
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<tr>
<td><strong>Packaging</strong></td>
<td>By year-end 2005, 10 percent cumulative avoidance*</td>
<td>8.2 percent cumulative avoidance 2001-2005</td>
</tr>
<tr>
<td><strong>Nonproduct Output (NPO)</strong></td>
<td>By year-end 2005, 10 percent cumulative avoidance* in nonhazardous NPO and 5 percent cumulative avoidance* in hazardous and toxic NPO</td>
<td>14 percent cumulative avoidance 2001-2005 nonhazardous NPO</td>
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<td>27 percent cumulative avoidance 2001-2005 hazardous NPO</td>
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<td></td>
<td>24 percent cumulative avoidance 2001-2005 toxic NPO</td>
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*Note: “Cumulative avoidance” represents avoidance in generation or use resulting from projects implemented in Year 1 (Y1), Year 2 (Y2), Year 3 (Y3), etc., calculated as follows:

\[
\text{Total Avoidance (Y1 + Y2 + Y3 +...)} \times \text{100 percent}
\]

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### Energy Use and Climate Change

Johnson & Johnson has taken sustained, long-term action to address the challenge of global climate change. We have established ourselves as a leader in this area by applying innovative solutions to reduce energy use and associated emissions of carbon dioxide (CO₂), the most prevalent greenhouse gas and the dominant contributor to climate change. Much has been accomplished since the adoption of our Climate Friendly Energy Policy in 2003. This policy established goals to reduce CO₂ emissions from all of our facilities worldwide in absolute terms: four percent reduction by 2005 and seven percent by 2010 compared to 1990 levels. From 1990 to 2005, while our worldwide sales increased by 351 percent, Johnson & Johnson has cut CO₂ emissions by 11.5 percent on an absolute basis. We have already achieved the emissions reduction goal established for 2010 and are now challenged with maintaining those levels as we grow.

Each year, a growing percentage (about 29 percent in 2005) of our worldwide electricity comes from a broad range of environmentally friendly resources:

**Solar** – Johnson & Johnson is the second largest corporate user of on-site photovoltaic solar energy in
In October 2005, Johnson & Johnson Consumer Companies, Inc. installed a 505-kilowatt solar tracking system at its facility in Skillman, New Jersey, U.S. The tracking system maximizes the sun’s available energy by following the sun from early morning to late afternoon, increasing energy capture by about 20 percent compared to fixed photovoltaic arrays. Constructed on a three-acre parcel of previously unused land at the Skillman site, this installation is the largest and highest-output ground-mounted solar power system in the eastern United States.
The company identified a third party partner to accept the poppy seeds, and this partner has avoided burning a substantial amount of coal by instead utilizing the biomass fuel in its boilers. This initiative results in more than 11,000 metric tons of avoided CO₂ emissions annually — greenhouse gases that would have been emitted if coal had been burned instead of the poppy seeds.

**Fleet Fuel Efficiency**

Johnson & Johnson’s worldwide fleet consists of approximately 35,000 owned or leased vehicles used by our sales and management staff. The operation of these vehicles accounts for significant CO₂ emissions — an estimated 250,000 metric tons per year, with about half of this total being contributed by the U.S. sales fleet. At present, fleet emission estimates are not included in our reporting of worldwide CO₂ emissions because we don’t have the same degree of precision in our estimates. We plan to better measure and track the CO₂ emissions generated by our fleet in the future, in order to better manage and reduce the impact on the environment.

The Healthy Planet 2010 goals include a reduction target for fleet emissions. To realize this objective, we are purchasing more efficient vehicles, including hybrid electric cars and alternative fuel vehicles that

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**Poppy Seeds as Renewable Energy Source**

Tasmanian Alkaloids Pty. Ltd. in Westbury, Australia, cultivates and processes opium poppies to produce raw materials used in pharmaceutical manufacturing. As a byproduct of this operation, the facility generates about 5,000 metric tons of excess poppy seed each year. Tasmanian Alkaloids tested the energy content of the seeds and determined that using the seeds as a biomass fuel was a sustainable and economically feasible alternative to landfilling this byproduct.
use bio-diesel where available. We already have 300 hybrid vehicles on the road; we will be ordering 300 more in 2006, and an additional 1,000 the following year. In the United States, responses from the first salespeople to use hybrid vehicles have been overwhelmingly positive, praising both the vehicle’s performance and Johnson & Johnson’s commitment to the environment.

We are also educating our employees to avoid wasteful driving habits such as speeding, excessive braking and idling. Johnson & Johnson has been working with external partners, including Toyota and the World Wildlife Fund, to help us meet our fleet emission reduction goal.

Water Use
When Johnson & Johnson set a Next Generation Goal for 10 percent cumulative avoidance of water from 2001 to 2005, we did so because we recognized that the earth has a limited water supply and only one percent of the freshwater on the planet is available for people’s needs. This makes the development and implementation of sustainable practices for water conservation and reuse critical. Through projects across all our operating companies, Johnson & Johnson achieved its goals and also had a 16 percent absolute reduction of water during a time when sales increased 56 percent.

At our Ethicon, Inc., facility in San Angelo, Texas, U.S., the local climate provides a strong incentive for minimizing water use. The average annual rainfall in the area is only 21 inches (53 centimeters). In addition to reducing the facility’s water consumption through operating improvements, Ethicon has been doing xeriscaping, a landscaping method that employs drought-resistant plants in an effort to conserve water. Water-intensive trees, shrubs, plants and ground cover have been replaced with decorative stone and drought-tolerant vegetation. Sprinkler systems have been replaced with drip irrigation and hardwire lighting has been replaced with solar lighting to create an aesthetically pleasing entryway that reduces both water use and energy consumption. Indigenous

Leadership in Energy & Environmental Design (LEED)
Two Johnson & Johnson facilities have achieved certification under the LEED program of the U.S. Green Building Council, illustrating our success in implementing sustainable design principles into both existing facilities and new construction. The Green Building Council developed the LEED Green Building Rating System® to recognize and promote state-of-the-art strategies for sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

- Janssen, L.P., in Titusville, New Jersey, attained Silver certification under the LEED program for existing buildings. Most of the requirements for certification coincided with strategies and practices that the facility was already implementing to comply with Johnson & Johnson energy and environmental programs, such as maximizing the amount of natural vegetation on site, recycling water, utilizing renewable energy (a rooftop solar installation) and reducing solid waste.

- Johnson & Johnson Pharmaceutical Research & Development, L.L.C., recently added 186,000 square feet to an existing site in La Jolla, California. In the design of the new facility, we incorporated elements from internal Johnson & Johnson standards, ISO 14001 certification requirements, and the LEED sustainability design guidelines. Specific siting considerations included maintaining open space and providing access to commuter shuttles, car pool spaces and bike lockers to encourage more sustainable forms of employee transportation. The facility also incorporates a 2.2 megawatt cogeneration system for efficient energy supply.
wildflowers, such as Texas bluebonnets and Indian paintbrush, now cover approximately 10 acres of the property.

Ethicon estimates that the xeriscaping accomplished to date will save the facility 357,000 gallons (1,360m³) of water annually. An added benefit is a reduction in the application of lawn chemicals (e.g., fertilizers, herbicides and pesticides) and a reduction in maintenance required, which means less use of equipment with two-stroke engines (relatively high-polluting equipment).

**Improving Wastewater Quality**

Janssen Pharmaceutica N.V in Geel, Belgium, launched a Master Water Plan in 2002 to improve wastewater quality. The plan contained more than 20 projects with lead times from three months to three years, and the types of projects ranged from source reductions within the Janssen facility, to chemical production options, to end-of-pipe solutions. Each project made a specific contribution to improving wastewater quality.

Working with internal departments across the facility, in addition to external parties such as the local public wastewater treatment facility, the site achieved an average chemical oxygen demand reduction of 62 percent and a biological oxygen demand reduction of 77 percent. As an additional business benefit, the Master Water Plan became an integrated part of the site environmental permit, a 20-year permit that allows for continuing discharge to the local wastewater treatment facility. Without this, Janssen would have been forced to invest in substantial upgrades to its on-site wastewater treatment in order to discharge directly into surface water.

**Watershed Protection**

At McNeil Consumer Healthcare Division of McNEIL-PPC, Inc. in Fort Washington, Pennsylvania, U.S., significant watershed protection efforts have been underway for several years. Rapid development in the area surrounding the facility resulted in stormwater problems and degradation of the small streams in the watershed. With help from the
community, our employees at McNeil implemented projects to enhance stream buffers, recreate meadows and develop wetlands-based stormwater management practices. In Titusville, New Jersey, U.S., employees of Janssen, L.P. also took action to conserve water and pursue innovative stormwater management practices. The facility has significantly reduced its use of pesticides and fertilizers, planted drought-resistant native vegetation and increased the level of internal water reuse. A solar-powered aeration system at the site is also used to minimize algae growth and improve water quality in an on-site stormwater pond.

Raw Materials and Packaging Use
Johnson & Johnson companies have reduced raw material use, per unit of sales, by 35 percent over the five-year NGG period. Worldwide, we achieved seven percent cumulative avoidance of raw material use, exceeding our goal of five percent.

We track packaging separately and established a more aggressive NGG goal — 10 percent cumulative avoidance. As of year-end 2005, we achieved only 8.2 percent avoidance. In part, this is due to the fact that we had already reduced packaging worldwide by 27 percent during the previous goal period (1995 through 2000), making further progress substantially more difficult. However, through efforts such as the Asia Pacific re-design initiative (described below) and more, our operating companies did succeed in reducing packaging use per unit of sales by 27 percent since 2001.

Improving Efficiency of Packaging Use
Our regional packaging group in Asia Pacific recently completed a major project to improve material efficiency across the entire range of Johnson & Johnson's consumer products. In 2001, the packaging design team began its new packaging development initiative, applying Design for Environment (DfE) tools to re-examine all existing product packages. We implemented the following improvements identified through the DfE process:

● changed from double-wall bottles to single-wall bottles for one of our facial cleanser brands
● reduced the thickness of the plastic bag serving as outer packaging for sanitary protection products
● optimized the dimensions of bottles for certain Johnson’s Baby brand products to maintain the same volume while reducing the packaging weight
● minimized the number of packaging components in cosmetic cream, baby powder and facial cleanser

These measures led to a reduction in packaging use of more than 7,000 metric tons annually.

PVC Packaging
Polyvinyl chloride (PVC) has long been used in packaging for drugs, medical devices and personal care products because of its desirable physical characteristics, including impermeability to moisture, gas and flavor. However, concerns have been raised about the ability to recycle PVC and keep it from combining with other plastic recycling streams. In addition, there are concerns that treatment of PVC...
Our CO2 emissions reporting follows the Greenhouse Gas Inventory protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. The protocol requires that we recalculate historical emissions to reflect acquisitions, divestitures and mergers, so that all data shown on the chart represent emissions from the same business entities over time.

For other environmental metrics, each year’s data present a “snapshot” of the Company as of the end of that year. Facilities divested during the year are not included in that year’s figures. When a new facility is acquired or begins operation, it must begin reporting environmental data within 18 months. These charts reflect some minor changes to environmental data that were found as a result of routine internal auditing.
wastes in an environmentally sound manner cannot always be guaranteed.

Johnson & Johnson operating companies recognize these concerns and will strive to further minimize our environmental footprint by significantly reducing PVC use in packaging by year-end 2007. In particular:

- Consumer product companies will phase out all PVC use for primary, secondary and tertiary packaging.
- Pharmaceutical and Medical Device and Diagnostic companies will phase out PVC in non-stability related secondary and tertiary packaging and search for feasible alternatives for primary packaging.

These actions will reduce PVC use at Johnson & Johnson by approximately 70 percent by year-end 2007 and will enhance the recyclability of many of our packaging components. Further PVC reductions may be possible as suitable alternatives are found.

**Waste Reduction**

Over the five-year NGG period, Johnson & Johnson facilities around the world have been very successful in reducing the amount of waste generated. Several projects in 2005 yielded outstanding results, including the following:

- At Janssen Pharmaceutica NV in Geel, Belgium, a team worked to optimize the synthesis of RAZADYNE™ (galantamine hydrobromide), with the goal of reducing waste and improving product yield. The second-generation synthesis resulted in a 34 percent reduction in toxic waste.
- Johnson & Johnson SDN.BHD., in Selangor, Malaysia set out to minimize the amount of hazardous sludge generated in its wastewater treatment process. By installing a sludge dryer, the facility reduced the volume of sludge by 60 percent. The company then pursued a regulatory approval process with the Malaysian Department of Environment to allow the facility to ship dried sludge to a cement plant about 50 kilometers away. The once-hazardous waste is used as a material in the cement making process, and the Malaysian facility no longer generates any waste sludge requiring disposal.

Reducing solid waste also helps minimize risk associated with waste handling and disposal. Johnson & Johnson operating companies are required to use approved contractors for all waste management activities. As a result of past landfilling (which was standard industry practice at the time) and using facilities that improperly managed our waste, Johnson & Johnson has been named a potentially responsible party for 27 hazardous waste sites and we have accrued $9 million in environmental liabilities. During 2005, we expended $9.0 million for ongoing remediation at 18 existing and divested Johnson & Johnson properties. We have approximately $35 million in reserves set aside for future cleanups.

**PerformanceTrack Corporate Leader**

**Participating in Voluntary Initiatives**

Johnson & Johnson is a recognized leader in voluntary initiatives spearheaded by the U.S. Environmental Protection Agency (EPA). We have 37 sites in the facility level National Environmental Performance Track (NEPT) program and in 2005, we became an NEPT Corporate Leader. Information about the environmental targets we have committed to can be found at [www.epa.gov/performancetrack](http://www.epa.gov/performancetrack).
In addition to protecting the environment around the globe, we fulfill Our Credo responsibility to communities through philanthropy and the development of special programs to meet social needs. It is a part of our mission as a health care company to improve the health and welfare of people around the world. Our stakeholders increasingly expect us to take on the challenges of social responsibility. As a widely respected global corporation, we embrace these challenges.

Our contributions program, a worldwide social responsibility effort, is focused on five key platforms for giving: Access to Health Care, Women’s and Children’s Health, Advancing Health Care Knowledge, Community Responsibility and Global Public Health. Johnson & Johnson supports a number of organizations and programs reflecting these platforms.

In addition, Johnson & Johnson has created “Signature Programs” to address community needs through strategies that are clearly aligned with the Company’s five contributions platforms. The Company also supports local initiatives that are critical to the communities in which our employees live and work.

Employee engagement is a key element of our social responsibility program. Engagement ranges from executives serving on a number of regional contributions committees to groups of employees participating in community efforts. In addition, Johnson & Johnson works with hundreds of nonprofit international organizations in collaborative efforts to improve health outcomes and to help create healthier communities.

In 2005, Johnson & Johnson donated $591.9 million in cash and products, representing 4.3 percent of our pre-tax income. For more information, please read our 2005 Corporate Contributions report, which is available at www.jnj.com/community.

CSR Europe

Corporate Social Responsibility (CSR) Europe is a business-driven membership network whose mission is to help companies combine profitability and sustainability. Johnson & Johnson has been involved in CSR Europe since 2001. Through its many member organizations and research projects, CSR Europe has become a leader in communicating socially responsible strategies and practices.

**Signature Programs**

- Head Start – Johnson & Johnson Management Fellows Program
- Johnson & Johnson Bridge to Employment Program
- Johnson & Johnson Community Health Care Program
- Johnson & Johnson – Dartmouth Community Mental Health Program
- Johnson & Johnson/Rosalyn Carter Institute Caregivers Program
- Johnson & Johnson School Nurse Fellowship Program
- Johnson & Johnson/UCLA Health Care Executive Program
- Johnson & Johnson – University of California (San Francisco) “Fostering Excellence in Women’s Health through Academic Community Partnerships”
- Johnson & Johnson – Wharton Fellows Program in Management for Nurse Executives
- Johnson & Johnson – World Wildlife Fund “Healthy Communities, Healthy Ecosystems” Program
- Yale – Johnson & Johnson Physicians Scholars in International Health
Disaster Relief

ASIAN TSUNAMI
One morning in late December 2004, parts of Southern Asian were ravaged by the deadliest tsunami in recorded history. In its wake, approximately 300,000 people in the region were killed and another 1.6 million left homeless, warranting the largest humanitarian relief effort in our lifetime.

Johnson & Johnson, through its partnerships with the Red Cross International Relief Fund, AmeriCares, MAP International and Direct Relief International, made an immediate financial commitment and quickly began disseminating emergency medical relief to the areas most affected. In the weeks following the tragedy, Johnson & Johnson delivered products such as bandages, sutures and other items to these relief organizations. Johnson & Johnson employees also contributed substantial financial donations to the Red Cross International Relief Fund, which were matched dollar for dollar by the Company. Throughout 2005, the Company has supported more than 20 organizations’ tsunami efforts. With its resources focused on mothers and children, community health care and mental health, Johnson & Johnson pledges to continue its support to help stabilize the region.

In Indonesia, many residents who lost their homes in the 2004 tsunami are still in desperate need of shelter. The tsunami hit hardest along Aceh province on Indonesia’s island of Sumatra, where it has been estimated that at least 1.1 million cubic meters of logs will be needed for reconstruction over the next five years. The World Wildlife Fund (WWF) has formed a unique partnership with Conservation International and the U.S. forest products industry to help displaced individuals rebuild their lives without destroying the already threatened tropical forests of Sumatra. Such destruction would not only impact the existence of species living there, but also increase the risk of mudslides and flooding that uncontrolled deforestation invariably causes. Johnson & Johnson is supporting WWF in this partnership, which seeks donations of U.S. timber to be shipped to Indonesia’s Aceh province for use in environmentally sustainable rebuilding of shelters, homes, schools, hospitals and businesses in the devastated region.

In support of rebuilding efforts in Aceh, Johnson & Johnson established a medical equipment repair facility in the province. The facility will serve the six hospitals and 24 health centers in the province and provide a replicable model for other provinces.

EARTHQUAKE IN PAKISTAN
In October, Pakistan was devastated by a 7.6 magnitude earthquake that killed 87,000 people and left another three million people homeless. In the immediate aftermath of the disaster, Johnson & Johnson Corporate and its Asia Pacific regional companies responded with emergency relief cash donations and calls for life-saving products. MAP International and Islamic Relief distributed disaster relief packs with first aid supplies, surgical sutures and wound care products to the region. Additionally, orthopaedic products from our DePuy, Inc., subsidiary were provided to assist those suffering from severe, life-threatening bone fractures.

HURRICANE KATRINA
The 2005 hurricane season in the Atlantic Ocean, the Caribbean and the Gulf of Mexico was the most active on record. We provided emergency relief in the form of cash and product donations for all major hurricanes, including Hurricane Katrina, which ravaged the Gulf Coast of the United States in August and displaced thousands of residents. In partnership with relief agencies such as the American Red Cross, MAP International, the Baton Rouge Area Foundation, America’s Second Harvest and The Salvation Army, the Company donated funds for short- and long-term assistance. The Company provided grants and loans to employees in declared disaster areas. Additionally, many Johnson & Johnson employees volunteered in the affected areas and made personal donations, all of which were matched dollar-for-dollar by the Company. Johnson & Johnson remains committed to supporting stabilization and long-term rebuilding efforts throughout the affected Gulf Coast area.
Community Health and the Environment

Through our continual support of major NGOs and their local partners, Johnson & Johnson is demonstrating its commitment to ensuring healthy and sustainable environments for vulnerable communities throughout the world. Under our Healthy Planet 2010 goal for biodiversity, we commit to protect, restore or enhance more of the natural ecosystems we rely on for a healthy environment.

World Wildlife Fund

Johnson & Johnson is a longstanding supporter of the World Wildlife Fund (WWF). Since 2003, the Company has supported innovative “Healthy Communities, Healthy Ecosystems” projects in the East Africa, Congo Basin and Eastern Himalayas ecoregions. In 2005, Johnson & Johnson provided support to expand these WWF initiatives.

East Africa – Kenya and Mozambique

In East Africa, for instance, WWF’s Eastern African Marine Ecoregion (EAME) program addresses the challenge of ecosystem conservation by making the link between a sustainably managed environment and the need for access to health care by very poor, and often isolated, communities that live near areas of high biological diversity. The EAME stretches several hundred miles and is home to a great diversity of plant and animal life, including some of the most diverse coral communities in the world. Over the last year, WWF worked with the district health service and the American Medical Research Foundation to facilitate the construction of a new dispensary for communities in the Kiunga Marine National Reserve in Kenya to help improve community health while encouraging community participation in natural resource management. This partnership also facilitated the procurement of safe drinking water supplies in the main villages in the reserve. Additionally, in Quirimbas National Park in Mozambique, Johnson & Johnson and WWF supported the creation of two new fishing sanctuaries, helping to increase catch per effort in surrounding waters and encourage more sustainable use of this resource. As a result, marine biodiversity is on the rise within the sanctuaries, and the people who fish nearby are getting more protein in their diet.

Congo Basin – Cameroon and Central African Republic

For the past two years, Johnson & Johnson has helped promote healthy communities and environmental health in Lake Lobeka National Park in Cameroon and the Dzanga-Sangha Protected Areas Network in the Central African Republic. Both sites are part of the Sangha River Trinational Conservation Area, the crown jewel of the vast Central African rain forests. In 2005, through Johnson & Johnson funding, WWF partnered with the government’s health ministry to expand a training program for “health scouts” to provide basic community health care and organize conservation awareness campaigns linking a healthy environment with healthy living. This program supports health initiatives in Baka and Bayaka communities, whose people play a central role in protecting the forests, and provides family planning initiatives that address HIV/AIDS and reproductive health. In addition, WWF facilitated the construction of five health huts with basic medical equipment in Lobeke, and plans are in place to expand the program to three additional communities. WWF also supported local groups in the expansion, staffing and equipping of two community health clinics in the Central African Republic. Johnson & Johnson funding has allowed for the continued supply of medications at both clinics.

WWF produced and used posters, cartoons, video and radio broadcasts to provide training on general health issues and to link them to biodiversity conservation and sustainable use of natural resources. Workshops have been organized to catalyze a village-based vision connecting health care practices, population size, natural resource management and sustainability. Working with WWF, we are hopeful that as the health of these communities improves over the long term, so will their desire and ability to protect and manage their natural resources for future generations.

Our employees’ passion for getting involved in local charitable activities — and especially those affecting women, children and families — is deeply rooted in Our Credo commitment to the communities in which we live and work.”

Antonio Ferreira, International Vice President, Medical Devices and Diagnostics, Latin America, and Chairman, Latin America Contributions Committee
Johnson & Johnson employees visit the Kiunga Marine National Reserve in Kenya.

The Mkokoni Dispensary — a joint venture between WWF, the Mkokoni community and local partners, with financial support from Johnson & Johnson — opened in October, 2005. Villagers and district authorities held a day-long celebration that included singing, dancing and speakers. The impact of this partnership on the community was profound; they had previously, but unsuccessfully, tried to finance the project on their own.
**Eastern Himalayas**
With lead support from Johnson & Johnson, over the past three years WWF has worked to build healthy and well-educated communities that are empowered to lead their own long-term sustainable development. WWF is focusing on four areas in the Eastern Himalayas: Phobjikha Valley in Bhutan; Khata on the Nepal side of the Terai Arc; the Lagga Bagga corridor on the Indian side of the Terai Arc; and the North Bank Landscape in northeastern India. These four sites are gateway communities to some of the most important biological corridors or core protected areas in the Himalayas. Their communities play an important role in achieving WWF’s goal to restore essential habitat linkages between protected areas, as in the Terai Arc, which connects 11 parks and reserves across the foothills of the Himalayas, and the Bhutan biological corridors, which will maintain 60 percent of Bhutan’s pristine temperate forests.

WWF has worked in these sites to reduce disease, illness and infections by facilitating access to health care, promoting waste management, raising basic hygiene awareness, improving school conditions for children and increasing community participation in, and ownership of, ongoing conservation activities.

**The Conservation Fund**
Johnson & Johnson is supporting The Conservation Fund in its efforts to help communities develop sustainable conservation initiatives that blend environmental and economic goals. Working in collaboration with the private and public sectors, the Fund is committed to demonstrating market-based solutions for complex environmental issues. For example, a key area of focus is the integration of conservation and economic development programs that benefit people as well as natural resources. The Fund meets its challenges by carrying out innovative research and technology programs to advance solutions for the sustainable use of our nation’s land and water.

**Trust for Public Land**
The Trust for Public Land (TPL) is dedicated to preserving land for current and future generations to enjoy as parks, gardens and natural areas. TPL has protected nearly two million acres of land in 46 states since its founding in 1972. Johnson & Johnson provides support for TPL’s City Parks program in California and New Jersey, which is dedicated to protecting and creating parks and playgrounds in underserved urban areas across the country. To date, the program has developed and implemented successful projects in communities across New England, New York, New Jersey, Maryland, Tennessee, Oregon and California.

**The Nature Conservancy**
Johnson & Johnson has provided long-term support to The Nature Conservancy (TNC), whose mission is to protect the lands and waters that plants, animals and natural communities need to survive. In 2005, we supported significant projects in Mexico, Brazil and China, working to preserve some of the world’s most biologically diverse ecosystems while addressing local community needs in a sustainable way. Within the United States, we also continue to be a major supporter of TNC in New Jersey, the site of our worldwide headquarters as well as several Johnson & Johnson operating company facilities. Our contributions assist the Conservancy’s work of protecting open space and preserving ecological treasures in the most densely populated state in the U.S.

**The Wilderness Society**
Since 1935, The Wilderness Society has been committed to protecting public lands in the U.S. The organization brings exceptional levels of scientific expertise, analysis and bold advocacy to its dedicated efforts in saving, protecting and restoring America’s public lands. Johnson & Johnson is supporting the society in its efforts to demonstrate the link between wild land conservation and community economic sustainability.

**Center for Health and the Global Environment**
Johnson & Johnson is proud to continue serving on the Corporate Council of the Center for Health and the Global Environment at Harvard Medical School. The Center, founded in 1996, expands environmental education at medical schools to promote research and awareness of the impact of global environmental change on human health. Johnson & Johnson supports the Center in its biodiversity and human health project, which utilizes rigorous scientific data and compelling stories to educate policymakers and the public about the inextricable link between natural ecosystems and human health. This globally significant project is co-sponsored by the United Nations Development Programme, the United Nations Environment Programme and the World Health Organization, and it will result in a major publication in 2006.
For 2005, Johnson & Johnson’s worldwide sales reached $50.5 billion, an increase of 6.7 percent over 2004.


### 2005 Sales by Business Segment

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>2005 Sales</th>
<th>Percent Change from 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Devices and Diagnostics</td>
<td>$19.1 billion</td>
<td>13.1%</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>$22.3 billion</td>
<td>0.9%</td>
</tr>
<tr>
<td>Consumer</td>
<td>$9.1 billion</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

### 2005 Sales by Region

- **United States**: $28.4 billion
- **Europe**: $12.2 billion
- **Asia-Pacific and Africa**: $6.9 billion
- **Western Hemisphere (mid-U.S.)**: $3.1 billion

### Financial Performance

#### Sustainability Indicators

Johnson & Johnson stock has been included in the Dow Jones Sustainability Indexes (DJSI) since 2000. The DJSI family follows a best-in-class approach to identify sustainability leaders in each industry.

The Company also enjoys a AAA rating — the highest given — from Innovest Strategic Value Advisors, an investment research organization that focuses on non-traditional drivers of investment risk and returns, such as corporate environmental, social and governance performance.

Johnson & Johnson has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the independent financial index company FTSE Group, FTSE4Good is a financial index series that is designed to identify and facilitate investment in companies that meet globally recognized corporate responsibility standards.

In January 2006, Johnson & Johnson was named to the list of the Global 100 Most Sustainable Corporations, which recognizes large, publicly traded companies that best manage their environmental, social and governance risks and opportunities. Corporate Knights, a Canadian media firm, created the list in 2005 along with Innovest Strategic Value Advisors, which provides the analysis underlying the ratings.

### Research and Development Expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses (billions of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$4.68</td>
</tr>
<tr>
<td>2004</td>
<td>$5.20</td>
</tr>
<tr>
<td>2005</td>
<td>$6.31</td>
</tr>
</tbody>
</table>

“**Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas...**”

FROM OUR CREDO
Sustainability Organization

The Company has several committees in place to manage sustainability issues across Johnson & Johnson.

The Public Policy Advisory Committee (PPAC) reviews the Company’s policies, programs and practices on public health issues regarding the environment and the health and safety of employees. The committee also reviews the Company’s governmental affairs and policies and other public policy issues facing the Company. The committee advises and makes recommendations to the Board of Directors on these issues as appropriate. PPAC members include the Company’s General Counsel, the Vice Presidents for Corporate Affairs, Government Affairs, and Technical Resources, and independent Board members.

The Worldwide Environmental Steering Committee reviews the Company’s overall environmental performance by business segment twice a year. This committee is chaired by Robert J. Darretta, Vice Chairman, Board of Directors and Chief Financial Officer. The steering committee includes senior management representatives from Corporate Law, Government Affairs and Worldwide Operating Group Management.

The Worldwide Health & Safety Leadership Team is chaired by Michael Dormer, Worldwide Chairman, Medical Devices Group, and a member of the Johnson & Johnson Executive Committee. The team meets twice a year and focuses on risk reduction and injury prevention. Team members include senior management from across the three business segments (Pharmaceutical, Consumer, and Medical Devices and Diagnostics), plus health and safety global management.

Corporate Governance

Our Credo principles have guided us for many years and will continue to set the tone of integrity for the Company in all aspects of how we manage our business. Our Credo encompasses our accounting and financial reporting responsibilities to shareholders, investors and other stakeholders. The management of Johnson & Johnson is responsible for the integrity, objectivity, accuracy and clarity of our reporting.

The Johnson & Johnson Board of Directors is currently made up of 13 individuals, 10 of whom are independent under the standards of the New York Stock Exchange. The independent, non-employee members of the Board meet in executive session, without any members of Johnson & Johnson management present, after most Board meetings. The Audit Committee of the Board of Directors is composed solely of independent directors with the financial knowledge and experience to provide appropriate oversight.

The Company has adopted formal principles of corporate governance, which can be found in the Corporate Governance section of our Investor Relations website at www.investor.jnj.com. The website also contains more detailed information about the Board of Directors composition and committees, as well as information on contacting the Board.

Business Conduct

The Policy on Business Conduct is a significant part of Johnson & Johnson’s program to ensure that our business practices meet the standards embodied in Our Credo. Translated into many languages, the policy governs our business practices around the world. Senior managers must certify annually that their organizations are familiar with and follow the policy. Assessing compliance with the policy is part of Johnson & Johnson’s internal audit program.

The business conduct policy includes a requirement that employees promptly report information concerning any prohibited or unlawful act. In order to assist any employee who wishes to report anonymously any complaints or concerns arising out of the policy, we have telephone hotlines operating wherever Johnson & Johnson does business and where permitted by local country privacy laws. In addition to

<table>
<thead>
<tr>
<th>Key Elements of the Policy on Business Conduct</th>
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</thead>
<tbody>
<tr>
<td>● Conflicts of interest</td>
</tr>
<tr>
<td>● Antitrust and competition laws</td>
</tr>
<tr>
<td>● Environmental laws and regulations</td>
</tr>
<tr>
<td>● Health care compliance: approval, manufacture, sales and marketing of drug, medical device, diagnostics and consumer products</td>
</tr>
<tr>
<td>● Employment and labor laws and policies</td>
</tr>
<tr>
<td>● Compliance with securities laws</td>
</tr>
<tr>
<td>● Political activities and contributions</td>
</tr>
<tr>
<td>● Respect for trade secrets and confidential information</td>
</tr>
<tr>
<td>● Use of funds and assets</td>
</tr>
<tr>
<td>● Complete and accurate books and records</td>
</tr>
<tr>
<td>● Second-country payments</td>
</tr>
</tbody>
</table>
employee hotlines, we also provide a separate hotline in the United States for our vendors, distributors, contractors and agents acting on behalf of the Corporation. All of these hotlines are available 24 hours, seven days a week, and calls are answered by staff with multiple language capability. A Corporate Headquarters mailing address is also provided. All reports are fully investigated and appropriate actions are taken in a timely manner.

**Political Contributions**

We believe it is important to encourage the development of sound public policy. With good policy, we can better serve doctors, nurses and patients, our employees and our communities.

One aspect of advancing sound public policy is supporting those women and men who serve the public by seeking elected office. We do not expect candidates who receive contributions from our Political Action Committee (PAC) or our Corporation to agree at all times with our positions on policy issues. Rather, we seek to support candidates who recognize the importance of medical innovation in improving lives, while also recognizing that a fair, free market system provides the best atmosphere for continued innovation.

While U.S. law prohibits corporations from making political contributions to federal candidates, companies can establish political action committees that are funded solely through voluntary employee contributions. Since 1972, Johnson & Johnson has provided limited administrative support to the Johnson & Johnson Employees’ Good Government Fund, our employee PAC in the United States.

This Fund offers eligible employees a direct means to voluntarily participate in shaping sound public policy and voicing views on issues related to our businesses. It operates in accordance with all relevant state and federal laws. Information about the Fund is available on the website of the Federal Election Commission at www.fec.gov.

In certain states, corporations are permitted to contribute to state election campaigns. There are also limited instances where corporations can support voter referenda and national party committees. Johnson & Johnson operates in accordance with all relevant state and U.S. laws.

In the interest of transparency for our shareholders and other stakeholders, we now provide a list of our annual political contributions, available on our website (www.jnj.com/investor/corporate_governance/Disbursements_2005.pdf).

An advisory committee comprised of employees who are PAC participants and who represent all of the U.S. operating companies assists the company’s Government Affairs and Policy department in selecting candidates, committees and referenda to support. As part of its oversight role in government affairs and policy, the Public Policy Advisory Committee of the Johnson & Johnson Board of Directors also annually reviews the Company’s political contribution policies and practices. When selecting candidates for funding, priority is given to candidates’ views on issues that concern the businesses of Johnson & Johnson and thus its employees, and to the presence of employees or facilities in a candidate’s state or district.

Please visit our website at www.investor.jnj.com/governance/contributions.cfm for more information. Questions about political contributions should be directed to: Treasurer, Johnson & Johnson Employees’ Good Government Fund, One Johnson & Johnson Plaza, New Brunswick, NJ 08933.
Ron Brown Award for Corporate Leadership
In 2002, Johnson & Johnson launched the Campaign for Nursing’s Future in response to a profound shortage of nursing professionals. This campaign was recently recognized by the Office of the U.S. President, which selected Johnson & Johnson the 2004-2005 winner of the Ron Brown Award for Corporate Leadership. Named after the U.S. Secretary of Commerce from 1993 to 1996 and developed as a complement to the Malcolm Baldrige National Quality Award, this annual presidential award is presented to companies that have demonstrated a deep commitment to initiatives that empower employees and communities while advancing strategic business interests.

An anticipated shortfall of nearly 800,000 registered nurses, as well as a serious shortage of nursing educators, threatened to disrupt both the quality and availability of health care services in the United States. Designed to enhance the image of the profession, bring more people into nursing, develop more nurse educators and retain the talent already in the profession, the campaign includes television ads, recruitment materials, fundraising for scholarships and grants, regional nursing celebrations and a website (www.discernursing.com) that has searchable databases for both programs and scholarships.

By the end of 2005, the website had more than four million unique visitors and more than 10,000 emails had been received from nurses, nursing students and people interested in the profession. More than $8 million has been raised for scholarships through fundraising galas in cities or regions where the nursing shortage is most acute. A survey of U.S. nursing schools found that 84 percent of those institutions using the Campaign’s recruiting materials experienced an increase in applications and enrollment for their nursing programs.

Robert W. Campbell Award
Johnson & Johnson was selected as the 2005 winner of the Robert W. Campbell Award in recognition of excellence in environmental, health and safety (EHS) management. This prestigious international award was established in 2003 by the National Safety Council. Named for an early advocate of workplace safety and the first president of the National Safety Council, the Campbell Award is designed to recognize companies that invest in EHS and that integrate EHS management into their business operations. At the same time, one of the more important goals of the award is to develop business cases from the experience of the winning companies that can be used by business and engineering schools so that the future generation of engineers and business leaders can internalize and embrace EHS messages.

In applying for the award, Johnson & Johnson found value in the self-examination of our systems and in benchmarking ourselves against the award performance indicators. The overarching success story outlined in our application was that of our Technical Resources & Compliance organization, which provides global EHS leadership. Under this umbrella, Johnson & Johnson shared its compliance excellence strategy, the complete support of senior management and the involvement of individuals at every level of the company.

Green Power Partner of the Year
The U.S. Environmental Protection Agency and Department of Energy annually honor those companies and organizations that have helped build a market for green power by making significant purchases of renewable energy. In 2005, Johnson & Johnson was named Green Power Partner of the Year in recognition of our commitment to renewable energy purchasing and on-site solar power projects. The award committee also noted our active partnerships with government and NGOs dedicated to addressing global climate change, and our aggressive CO2 reduction goals. We are the only green power purchaser to earn a Green Power Leadership Award for three consecutive years under this recognition program.
### OTHER AWARDS AND RECOGNITION

<table>
<thead>
<tr>
<th>AWARD</th>
<th>RECIPIENT</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 BEST COMPANIES FOR WORKING MOTHERS, HALL OF FAME</td>
<td>Johnson &amp; Johnson</td>
<td>Working Mother magazine named Johnson &amp; Johnson to its Hall of Fame, making it one of only two companies that have made the “Best Companies for Working Mothers” list in every year since its launch 20 years ago.</td>
</tr>
<tr>
<td>BEACON OF SAFETY AWARD</td>
<td>Johnson &amp; Johnson</td>
<td>The New Jersey State Safety Council presented this award to Johnson &amp; Johnson for our outstanding and continuous achievement in occupational safety over the past five years.</td>
</tr>
<tr>
<td>BEST BIG COMPANIES</td>
<td>Johnson &amp; Johnson</td>
<td>FORBES magazine recognized Johnson &amp; Johnson as one of the top 400 companies on its annual Best Big Companies list in December 2005. Furthermore, we are listed on the Honor Roll, having appeared on the list each year since its inception in 1999.</td>
</tr>
<tr>
<td>CLIMATE PROTECTION AWARD</td>
<td>Johnson &amp; Johnson</td>
<td>The U.S. Environmental Protection Agency granted this award to Johnson &amp; Johnson for our efforts to reduce greenhouse gas emissions through energy conservation and the use of cleaner energy sources.</td>
</tr>
<tr>
<td>LOW CARBON LEADER AWARD</td>
<td>Johnson &amp; Johnson</td>
<td>The Climate Group recognized our emission reductions in 2004, noting that we had achieved the greatest single-year percentage CO₂ reductions of any member organization.</td>
</tr>
<tr>
<td>C. McKIM NORTON COMMUNITY DEVELOPMENT AWARD</td>
<td>Johnson &amp; Johnson</td>
<td>The Regional Planning Partnership honored Johnson &amp; Johnson for our involvement in community revitalization efforts in New Brunswick, New Jersey, U.S.</td>
</tr>
<tr>
<td>EyeCADeMY AWARD</td>
<td>Johnson &amp; Johnson</td>
<td>Prevent Blindness Tri-State® presented this award to Johnson &amp; Johnson for our commitment to eye health and safety, noting our commitment to serving communities and people and to improving eye health and safety for children and adults at work, at school, at home, and at play.</td>
</tr>
<tr>
<td>GOVERNOR’S ENVIRONMENTAL AND ECONOMIC LEADERSHIP AWARD</td>
<td>Johnson &amp; Johnson</td>
<td>The State of California honored Johnson &amp; Johnson for sustainable practices, in particular for our renewable energy efforts and greenhouse gas reductions.</td>
</tr>
<tr>
<td>CLEAN ENERGY BUSINESS LEADER</td>
<td>Johnson &amp; Johnson</td>
<td>The New Jersey Board of Public Utilities named Johnson &amp; Johnson the Business Leader of the Year for 2005, noting our efforts to improve the health of communities by using energy efficient and renewable energy technologies.</td>
</tr>
<tr>
<td>EUROPEAN UNION GREENLIGHT AWARD AND MOTOR CHALLENGE AWARD</td>
<td>Centocor B.V.</td>
<td>The European Union (EU) recognized the Centocor facility in Leiden, the Netherlands, for leadership in implementing lighting and motor efficiency projects as part of the EU’s premier voluntary energy reduction initiative.</td>
</tr>
<tr>
<td>WEST YORKSHIRE ENVIRONMENTAL AWARD</td>
<td>DePuy International Limited</td>
<td>Groundwork UK honored the Leeds, U.K., facility with two awards, one for waste minimization projects and one for excellence in environmental management. Groundwork is a federation of local environmental trusts in England, Wales and Northern Ireland.</td>
</tr>
<tr>
<td>ENVIRONMENTAL RESPONSIBILITY SEAL</td>
<td>Johnson &amp; Johnson</td>
<td>The Brazil Mexico Chamber of Commerce, Industry and Tourism (BRAMEX) recognized our commitment to environmental protection and named Johnson &amp; Johnson Brazil as one of the best ISO 14001 certified companies.</td>
</tr>
<tr>
<td>SPECIAL ENVIRONMENTAL AWARD</td>
<td>Johnson &amp; Johnson</td>
<td>BRAMEX also honored Johnson &amp; Johnson for our contributions of material to the local charity Fazenda Esperanca, which supports addiction recovery.</td>
</tr>
<tr>
<td>GOLD MERIT AWARD</td>
<td>Johnson &amp; Johnson</td>
<td>Given by the Malaysian Society for Occupational Safety and Health, this is the highest safety award given in the manufacturing and chemical sectors, in recognition of excellent health and safety performance.</td>
</tr>
<tr>
<td>PENNSYLVANIA GOVERNOR’S AWARD FOR SAFETY</td>
<td>McNeil Consumer &amp; Specialty Pharmaceuticals</td>
<td>This award recognizes a low workplace injury and illness rate compared to industry standards, as well as innovation and the strategic development of safety systems. The McNeil facility in Fort Washington, Pennsylvania, has had zero lost workdays since 2002.</td>
</tr>
<tr>
<td>CCTV 2005 EMPLOYER OF THE YEAR AWARD</td>
<td>Xian-Janssen Pharmaceutical Ltd.</td>
<td>China Central TV recognized the company’s efforts in enhancing employees’ health awareness and fitness, encouraging exercise during breaks, providing professional medical services and counseling services to employees and providing healthy food in the cafeteria.</td>
</tr>
</tbody>
</table>
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In Quirimbas National Park, Mozambique, villagers faced severe food shortages caused by an unusual drought. World Wildlife Fund, with support from Johnson & Johnson, created a fishing sanctuary to promote food security and offer continued fishing catches for nutritional value.

A marine turtle hatchling exploring the sand. World Wildlife Fund’s East Africa Marine region – supported by Johnson & Johnson through our Healthy Communities, Healthy Ecosystems signature partnership – provides crucial breeding grounds for endangered marine turtles.