

## Independent GHG Verification Statement to Johnson & Johnson

### About

### Message from Alex Gorsky

### Year In Brief

### Sustainability Approach

### Progress on Commitments

### Better Health for All

### Innovation

### Our People

### Environmental Health

### Responsible Business Practice

### Appendix

### References

ERM Certification and Verification Services, Inc. (ERM CVS) was engaged by Johnson & Johnson (J&J) to provide assurance in relation to Greenhouse Gas (GHG) emissions data and the percentage of electricity from renewable sources for the reporting year 2017 in J&J's 2018 response to CDP.

#### Our conclusion

Based on our activities, nothing has come to our attention to indicate that the following 2017 corporate metrics are not fairly presented, in all material respects, in accordance with the reporting criteria:

**Total absolute Scope 1 emissions: 460,076 tCO<sub>2</sub>e**

**Total absolute Scope 2 emissions:**

- **market-based: 601,043 tCO<sub>2</sub>e**
- **location-based: 673,945 tCO<sub>2</sub>e**

**Total Absolute Scope 3 emissions: 263,231 tCO<sub>2</sub>e**

**Percentage of electricity use generated by renewable energy sources: 25%**, including the use of a virtual PPA.

#### Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

A team of GHG and assurance specialists performed the following key activities:

- Interviews with relevant staff to understand internal reporting processes, including the use of its GHG Management Plan, internal spreadsheets, and its various internal data management and reporting systems.
- Interviews with selected sites to review data collection system and evidence for the refrigerant losses.
- A review of evidence for a sample of primary data.
- A review of the calculations undertaken, including conversion factors and emission factors used.
- An analytical review of the consolidated year end data.

### Engagement Summary

#### Scope of our assurance engagement

Whether the following consolidated corporate metrics for Johnson & Johnson global operations for the period 1st January 2017 – 31st December 2017 are fairly presented, in all material respects, in accordance with the reporting criteria:

- Total absolute Scope 1 GHG emissions, reported as tonnes CO<sub>2</sub>e, covering:
  - Direct fuel emissions from stationary sources
  - Emissions from corporate jets and sales fleet
  - GHG emissions from refrigerant leakage
- Total absolute Scope 2 emissions, reported as tonnes CO<sub>2</sub>e: Indirect emissions reported using location-based and market-based methods
- Percentage of electricity use generated by renewable energy sources
- Total absolute Scope 3 emissions, reported as tonnes CO<sub>2</sub>e covering:
  - Category 4: Fuel and energy related activities (Transmission and Distribution (T&D) losses only);
  - Category 6: Emissions from employee business travel (air and employee-owned vehicles);
  - Category 9: Downstream transportation & distribution for US operations (from the EPA SmartWay program).

#### Reporting Criteria used:

WRI/WBCSD GHG Protocol and the J&J Greenhouse Gas (GHG) Inventory Worldwide Energy Management Technical Resources & Compliance document (8 February 2018)

#### Assurance Standard

ISO 14064-3:2006: Specification with guidance for the validation and verification of GHG assertions

#### Assurance level

Limited assurance

#### Respective responsibilities

J&J is responsible for preparing the data and for the collection and presentation of the information submitted in its response to CDP.  
ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

About

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Progress on Commitments

Better Health for All

Innovation

Our People

Environmental Health

Responsible Business Practice

Appendix

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**The limitations of our engagement**

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

**Our observations**

Without affecting the conclusions presented above, we have the following key observations:

- J&J should continue to improve refrigerant data quality control, including storage and retrieval of evidence.
- Assurance would be facilitated by improving the data trail through more systematic collection and storage of evidence of site-specific conversion and emission factors, e.g. for the emissions from district heating.

Based on the work outlined above, we have provided Johnson & Johnson with a separate, confidential management report.



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