

Johnson & Johnson 2006 Sustainability Report

Tight-lipped guide to best practice

Though Johnson & Johnson's credo lives on, the current report lacks heart, says **Aleksandra Dobkowski-Joy**

In its 2006 Sustainability Report, Johnson & Johnson affects the clinical and disinterested tone of a physician slightly bored with the profession, a particular irony given the report's subtitle of "Passion, Performance, Possibilities". Although J&J duly notes major vital signs, the company's perfunctory reporting leaves readers with no lasting impression of either excellence or mediocrity. J&J therefore misses a key opportunity – in what is a benchmark year for the company with regard to new goal-setting – to use the report as a rallying tool for the many employees of its more than 200 operating companies.

Much of what is at fault is J&J's superficial treatment of "business practices". These practices include J&J's oversight of intellectual property rights, animal welfare, ethical conduct during clinical trials, and fair marketing standards. Each topic receives a few paragraphs of coverage, with little or no accompanying data on goals or achievements.

For example, J&J states its position on stem cell research – a hot-button issue in the US, its primary market – in a mere seven sentences. J&J has established a Committee on Human Stem Cell Research to assure high ethical and scientific standards, yet beyond committee composition, readers are left in the dark on the committee's agenda and expected next steps. Given that more than one-third of the company's revenues are derived from pharmaceutical products, J&J's credibility suffers from this type of incomplete accountability.

Treasure hunt

J&J also takes a credibility hit from the clichéd photograph selected for the report cover. Although a child watering plants may suggest vibrant health and future generations' concern for the planet, this generic "happy smiley" imagery too closely converges with feel-good greenwashing to convey the seriousness of the company's sustainability efforts. Thankfully, J&J gets back on track within the report, using more-relevant photos of operating rooms, treatment centres, and the stunning solar panel array recently installed on the company's headquarters.

A more substantive flaw is J&J's failure to include a complete table of goals. J&J has just emerged from a new cycle of sustainability strategic planning. The company now has in place environmental performance goals stretching to 2010 as well as social goals

for 2007 and beyond. Unfortunately, the reader is left to piece together these various goals from individual programme descriptions scattered throughout the report. J&J could eliminate the treasure hunt aspects of the report by including a comprehensive table of consolidated goals for each priority issue along with a description of achievements to date.

Also unsatisfactory is J&J's presentation of Global Reporting Initiative indicators, which are jumbled up in a key-word index at the back of the report. Again, readers are left to piece together performance information on their own. In addition, though the report states that J&J "considered" GRI's G3 in developing the report, it includes neither an application level nor a GRI content index, both of which are required of companies using GRI.

J&J's sustainability prowess, as supported by an impressive list of awards and distinctions, shines through most clearly in the environmental section of the report. Here, J&J is much more focused and direct, outlining a set of ten priority areas under the company's Healthy Planet 2010 programme, ranging from energy use to external manufacturing. Each issue is presented according to a consistent format of context-setting, explanation, current status and quantitative goal(s). The disclosure of challenges associated with meeting these goals also lends balance and realism to the report.

The company should be lauded for including a category of metrics not typically seen in sustainability reports. J&J tracks specific employee health indicators, notably tobacco use, high blood pressure, high cholesterol and inactivity. These indicators are of particular worth given J&J's core business focus, and perhaps the company's leadership in this area will spur others to follow.

J&J has sustainability built into the DNA of the company. The J&J Credo (or treatise on company responsibility to its many stakeholders) was written more than 60 years ago yet is still relevant today. It is clear that J&J works diligently to uphold its Credo's values. What J&J must revisit and tap into in future reports is that same passion and spark that inspired the company founder to draft this manifesto on responsibility in the first place. ■

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Snapshot: Johnson & Johnson

Follows GRI? Report "considers" GRI G3, no Application Level cited.
Stakeholder input? Not evident except for general input.
Targets? Yes.
Seeks feedback? No.
Assured? No.
Goals? Yes, including 2010 Healthy Planet Goals.
Key strengths: Discussions of challenges.
Chief weaknesses: Perfunctory coverage of business practices.
Pleasant surprise: Employee health metrics.

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