

POSITIVE POTENTIAL™

User-Friendly Sustainability Metrics in the Spirit of Life Cycle Assessment

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JOHNSON & JOHNSON

Overview



- Founded in 1886 in New Brunswick, NJ
- Pharmaceutical, Medical Devices & Diagnostics and Consumer Sector
- More than 250 operating companies, over 118,000 employees worldwide
- 2011 Sales \$65 Billion

Commitment to Sustainability

- 1943 Our Credo
- 1993 First Sustainability report
- 2000 First 5-Year public goals

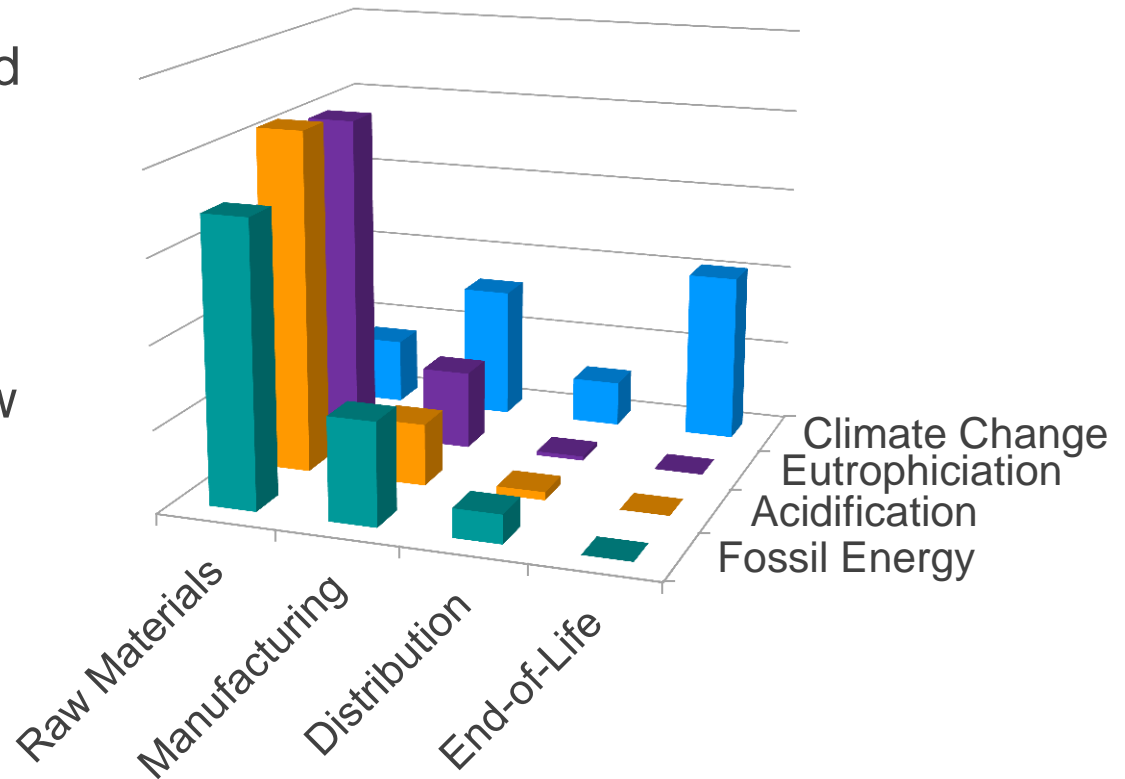


DISPOSABLE PACKAGING

LCA Profile and Hot Spots

- Majority of burden is created early in life cycle, driven by consumption of raw materials
- Focus improvements on raw material selection and consumption

LCA Profile of Corrugated Package for Consumer Product*



* Life Cycle Assessment of US Industry-Averaged Corrugated product, 2009, Corrugated Packaging Alliance
<http://corrugated.theresponsiblepackage.org/Upload/CPA%20LCA%20final%20report%208-25-10.pdf>

SUSTAINABILITY METRICS

LCAs require means

- LCA – holistic methodology to quantify potential environmental impacts
- LCA based metrics might not be accessible or practical for everyone:
 - Requires significant expertise, time and resources
 - Limited accuracy (data gaps, uncertainty, variability in methodology)
 - Difficult to communicate complex results to non-experts
 - Not easy to track over time

PACKAGING - POSITIVE POTENTIAL™

”Do less bad – do more good”

Directional metrics:

- Balance packaging waste with measurable sustainability initiatives
- Goal to minimize packaging waste and maximizing sustainability initiatives



REDUCE PACKAGING WASTE

”Do less bad



- Minimize packaging weight :
 - Packaging optimization
 - Packaging innovation
 - Less consumption of raw materials
 - Less packaging waste
 - Lower potential environmental impact



- Increase waste recovery :
 - Recyclability
 - Promote recycling and improve recycling rates

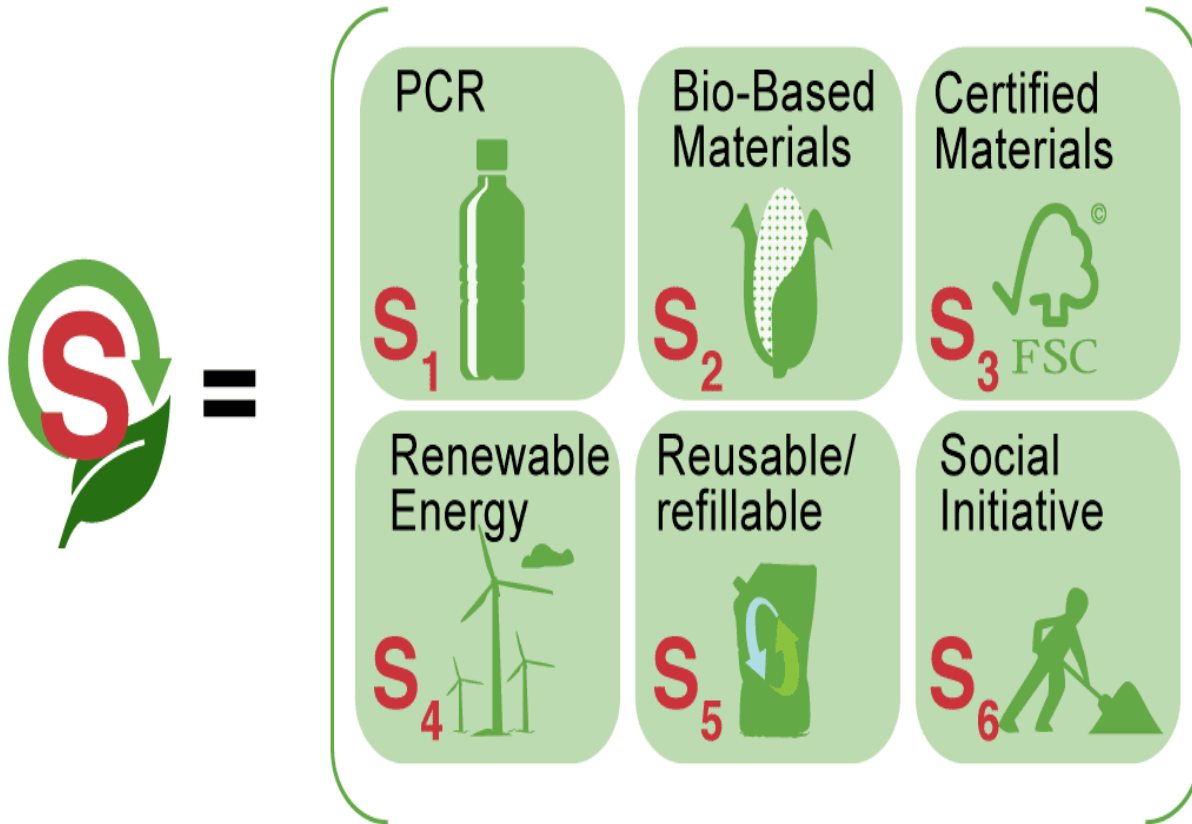
Generally consistent with LCA findings
– lower consumption of resources

INCREASE SUSTAINABILITY INITIATIVES

”....do more good”

Tactics that generally will lead to improved environmental performance of packaging.

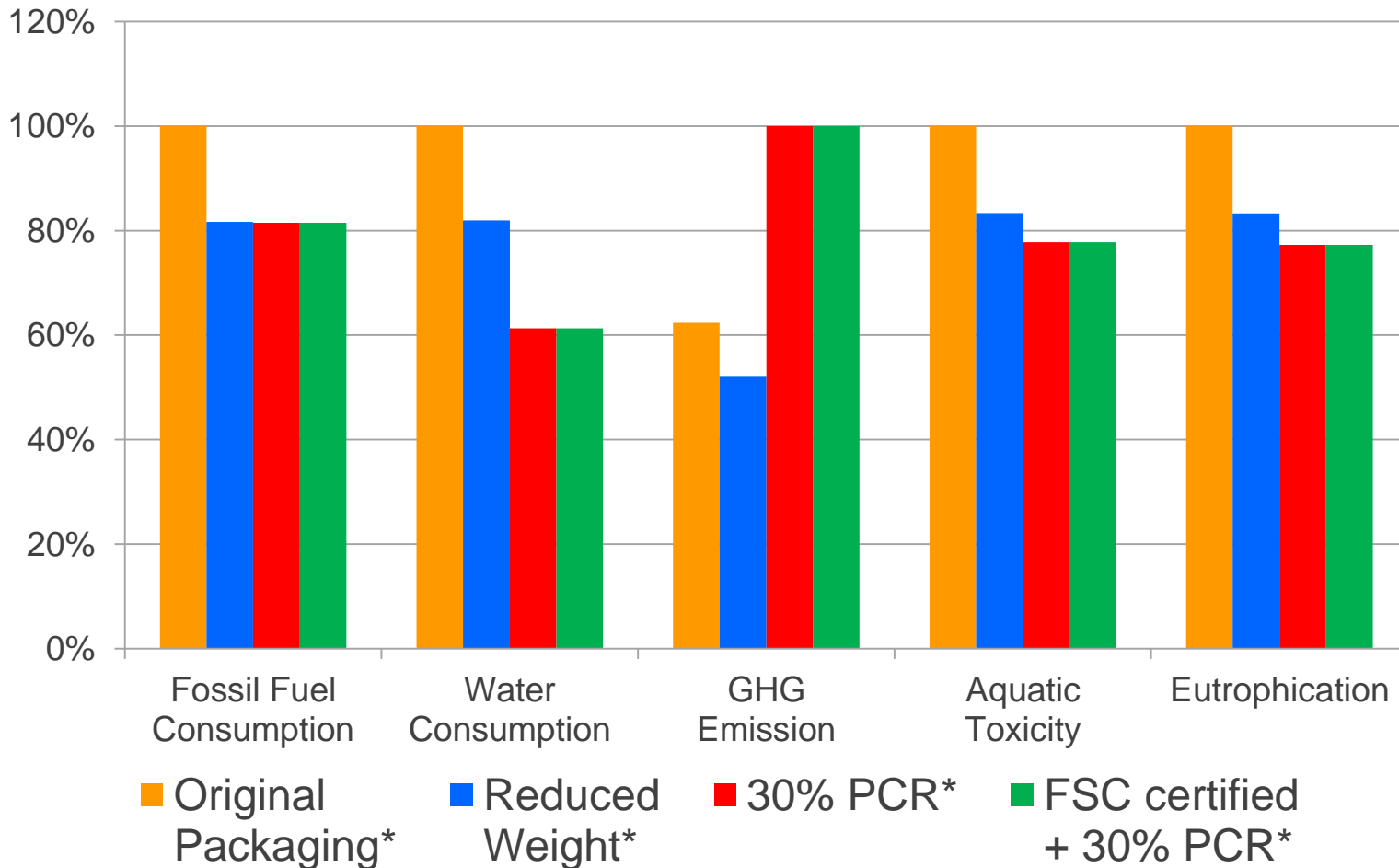
All are expressed in kg.



EXAMPLE - POSITIVE POTENTIAL™

Step 1: Packaging weight reduction by 18%

Step 2: Add Sustainability Initiatives: 30% PCR content, FSC certified fibers



Waste Reduction



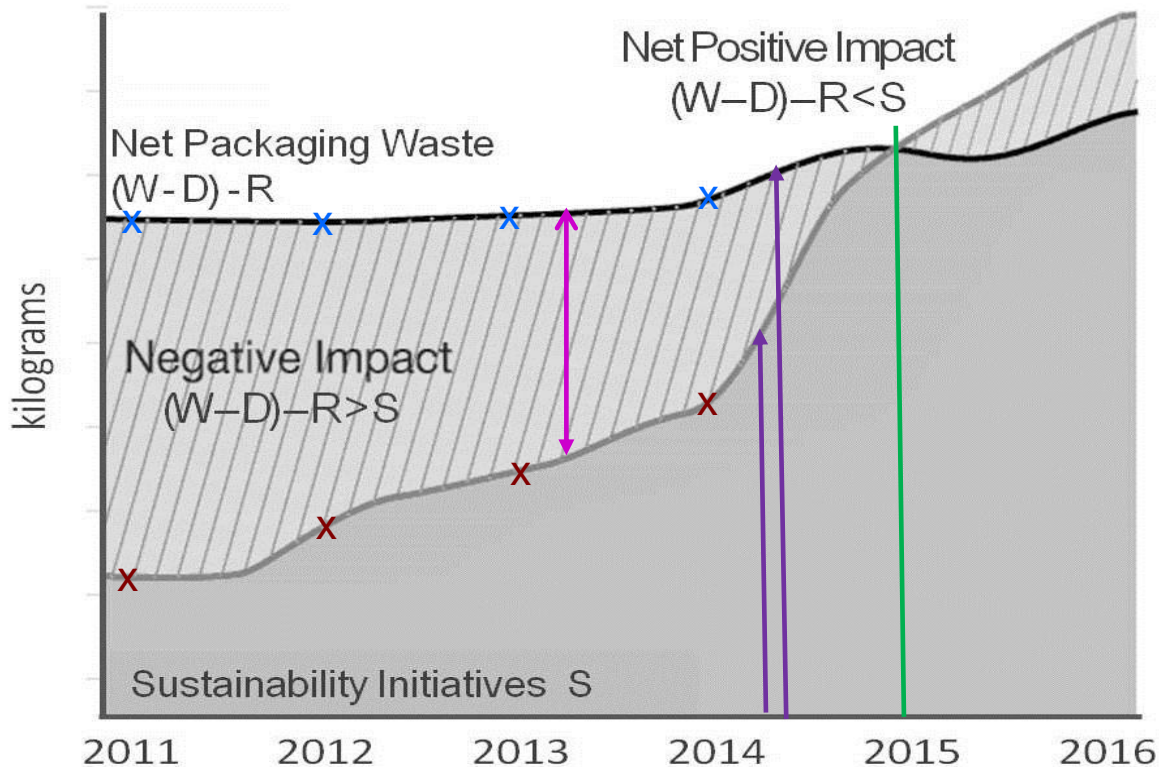
* Calculations via COMPASS

GOALS AND TRACKING OF PROGRESS

Accessible metrics

Practical metrics - $(W - D) - R$ and S :

- Based on accessible data
- Applicable for products, brands or even an entire company



Examples

- Goal:
 - Target year for net positive impact
- Hurdle rate:
 - Ratio of waste and sustainability initiatives
- Tracking progress
 - Annual waste
 - Sustainability initiatives
 - Gap

CAVEAT AND OUTLOOK

Trade-off for simplicity

- POSITIVE POTENTIAL™ does not intent to represent LCA results
- Waste recovery and all sustainability initiatives are treated burden free.
- In some cases the approach may lead to less than optimal choices
- Goal is to maximize positive initiatives, not to reach specific values.
- Potential for further development and refinement

SUMMARY

Overall, POSITIVE POTENTIAL™ is in the spirit of LCA

- Guiding towards reduced environmental impact of packaging
- Tracking goals and hurdle rates for packaging using available data
- Not a replacement for LCA but accessible even without scientific background or LCA expertise
- Encouraging environmental improvements by through flexible choices during the material selection process

Thank You!

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