

S U S T A I N I N G V A L U E S
2 0 0 5 S C J o h n s o n P u b l i c R e p o r t



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D E D I C A T I O N

SC Johnson Chairman Emeritus Sam Johnson once said:

**“What I am more than anything else
is a grandfather who wants his grandchildren
to have the same kind of place to live
and grow up in as I did.**

**What a treasure it is for children to have
wonderful memories and adventures
connected to the fields, the streams and the ponds.
I believe that childhood is our roots into this earth,
and my own roots have only grown stronger and deeper with age.”**

**This 2005 Public Report is dedicated to Sam,
whose love of this earth was a remarkable inspiration,
and whose values remain firmly rooted in all of us.**

S A M U E L C . J O H N S O N

1 9 2 8 - 2 0 0 4



Sam Johnson, with the plane he and his sons flew to Brazil during the 1998 Carnaúba Expedition.

A M E S S A G E F R O M H . F I S K J O H N S O N
C h a i r m a n a n d C E O



Chairman and CEO Fisk Johnson receives flowers from a child as a welcome during a visit to Africa.

Since my father passed away last May, many have asked me what my environmental legacy will be. I know they ask because the mark left by my father, Sam Johnson, was such a profound and enduring one.

Dad's legacy of business leadership is unsurpassed. From his decision to voluntarily and unilaterally stop using CFCs three years before the U.S. ban, to his introduction of innovative new products including Raid®, Glade® and Pledge®, to his role as a founding member of the World Business Council for Sustainable Development, Dad proved that business can be successful while being caring and responsible.

When my dad famously said we should not worry about whether we live up to the expectations of our fathers, but rather we as fathers should live up to the expectations of our children, he offered the purest case for sustainability. And for me, sustainability is personified by my child. It is for all the children of the world that SC Johnson makes business choices that will leave the world a better place.

That's why we installed cogeneration turbines at our largest manufacturing plant, which is helping us achieve a 10 percent reduction in fossil fuel use at our top factories by the end of 2005. It's why using our Greenlist™ environmental classification system we have phased out chlorine-based external packaging and removed more than 10 million pounds of VOCs from our environmental footprint. It's why we are using new business models to tackle insect-borne diseases in areas where people, especially children, need protection most.

People are right to ask what my legacy will be. It is a question that every responsible business leader must ask. But we should not focus solely on what we will leave behind three or four decades from now. Our attention is most needed on the decisions being made today.

So SC Johnson is continuing to lead the way with responsible raw material choices and innovative energy reduction. We are discovering more new ways to improve people's lives and protect public health. We remain dedicated to operating in a way that is successful, caring and responsible.

This is the important legacy of all the 12,000 people of SC Johnson around the world. It is our greatest business advantage, our strongest value and our most important gift to all children.

A handwritten signature in white ink that reads "Fisk Johnson". The signature is written in a cursive, flowing style.

H. Fisk Johnson
Chairman and CEO

EXECUTIVE SUMMARY

The Value Inside SC Johnson's 2005 Public Report



The *2005 SC Johnson Public Report* is our summary of SC Johnson's commitment to, and progress against, our sustaining values. In it, you will find stories that describe our ongoing efforts to drive global development and growth that benefits SC Johnson, the people around us and the planet we all share.

All data provided in this report is in accordance with the Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines* except for financial and production data, which is business confidential and considered proprietary by this family enterprise.

— Dr. H. Fisk Johnson, Chairman and CEO — S. C. Johnson & Son, Inc.

THE 2005 SC JOHNSON PUBLIC REPORT AIMS TO SHARE EXPERIENCES AND INSIGHTS RELATED TO SUSTAINABLE DEVELOPMENT

With this report, we hope to generate thinking, create dialogue and continue to promote responsible approaches and initiatives. When we first published a public report in the early 1990s, we were one of the first consumer packaged goods companies to report openly and extensively about its programs and policies. Today, doing so is standard practice globally.

To reduce paper consumption, this annual report is published electronically at www.scjohnson.com with a limited number of print copies provided to key partners, colleagues and associates. Within this report, you will discover the values this company was built on, and many examples of how we are continuing to create economic, environmental, social and employee value around the world.

A Special Opportunity

SC Johnson is so committed to increasing awareness and dialogue about sustainable development, we are offering a special opportunity to readers of the *2005 SC Johnson Public Report*. Fill out the reply card at the back of this report, or visit our online report at www.scjohnson.com and you may receive a complimentary copy of *Capitalism at the Crossroads*, the new book by Stuart L. Hart. Professor Hart is one of the world's top authorities on the implications of sustainable development and environmentalism for business strategy, and the Samuel C. Johnson Chair of Sustainable Global Enterprise and Professor of Management at Cornell University's Johnson Graduate School of Management.

Capitalism at the Crossroads provides an exciting and insightful look at how the corporate sector can be the catalyst for sustainable global development, and SC Johnson is proud to offer this opportunity to share in the book's insights.



FIND IT INSIDE



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Who We Are – SC Johnson is a leading provider of innovative consumer products that help improve the quality of life for families across the globe. This fifth-generation family company employs 12,000 people, has estimated annual sales of more than \$6.5 billion, operates in more than 70 countries worldwide and markets hundreds of leading, innovative products in more than 110 countries.



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Creating Value in New Places – A long-time advocate of “base of the pyramid” principles, SC Johnson led collaborative efforts in 2004 to develop the Base of the Pyramid Protocol. We put these principles into practice in South Africa, Ghana and Kenya to educate about malaria control measures, improve public health and build a sustainable source of pyrethrum, an active ingredient in insecticides.



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Economic Value – SC Johnson holds leading positions globally in numerous product categories. In 2004, our products were recognized for their innovation with awards such as the Trophée de la Maison consumer choice award in France and the Product of the Year award in the U.K. We also continue to reach new consumers with products and programs, especially for those closer to the base of the economic pyramid.



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Environmental Value – SC Johnson's environmental strategic plan is one of our top corporate strategic objectives. The company already has achieved goals such as annually increasing the use of environmentally preferred raw materials and reducing air, water and solid waste emissions, fossil fuel use, and greenhouse gas emissions. We also have eliminated the use of chlorine-based packaging, including PVC bottles worldwide.



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Social Value – Over the past decade, we have given back more than \$148 million globally. Each year we donate a portion of pre-tax profits in the U.S. and at the subsidiary level in support of organizations that work locally and globally to make our world a better place. In 2004 alone, we contributed more than \$18 million globally to efforts that improve the quality of life.



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We Value People – One of our key mantras is “Enjoy the Difference” and we do – through flexible work options, training opportunities and generous benefits. In 2004, SC Johnson ranked number seven on FORTUNE magazine's 100 Best Companies to Work For in America, and many of our subsidiary companies were recognized as “Best” workplaces in their respective countries.

W H O W E A R E

An Introduction to SC Johnson and Our Values



SC Johnson is committed globally to sustainable development principles. For decades, this family company has made decisions based on today's needs and the needs of generations to come. We work toward economic vitality, environmental health and social equity. And we believe in transparency and the importance of shared learnings and dialogue about sustainable development opportunities.

Who We Are – SC Johnson Profile

SC Johnson is a family-owned and -managed business dedicated to innovative, high-quality products, excellence in the workplace and a long-term commitment to the environment and the communities in which we operate.

Headquartered in the United States, the company is one of the world's leading manufacturers of household cleaning products and products for home storage, air care, personal care and insect control.

This 119-year-old company, with more than \$6.5 billion in sales, employs approximately 12,000 people globally and sells products in more than 110 countries. You can learn more about us by visiting our website, www.scjohnson.com

Learn more about SC Johnson, our products and the company's history of family leadership by visiting our online public report at www.scjohnson.com

Our Businesses

SC Johnson sells thousands of products every day to consumers around the world, helping make their lives cleaner, easier, healthier and better. Our key business categories are listed below with some of our best-known brand names.



Home Cleaning

Drano®
fantastik®
Kabikiller®
Mr. Muscle®
Pato¹
Pledge®
Scrubbing Bubbles®
Shout®
Toilet Duck¹
Windex®

Insect Control

Autan®
Baygon®
OFF!®
Paral®
Raid®

Air Care

Brise®
Glade®
Oust®

Personal Care

Edge®
Skintimate®

Home Storage

Saran™
Ziploc®

¹ Pato and Toilet Duck are trademarks of Düring AG and used under license.



Fisk Johnson

A Family Company

Throughout our 119-year history, five generations of the Johnson family have led SC Johnson, including our current Chairman and CEO, Fisk Johnson.

Each Johnson leader has shared the core values that define the Johnson family and the company – a dedication to product innovation and quality, the active pursuit of environmental and community leadership, and the steadfast commitment to workplace excellence. Every generation has recognized and championed the benefits of family

ownership, including consistency in principles and values, emphasis on the long term and independence of spirit.

Through this leadership, SC Johnson has continually enriched the lives of consumers, employees and communities all over the world.

The phrase “a family company” does more than say what kind of company SC Johnson is. It says who we are as people. We have inherited a legacy of leadership and responsibility, and we are dedicated to preserving it for future generations.

SC Johnson Around the World

We operate in 70 countries around the world and market products in more than 110. We have manufacturing operations in more than 20 countries around the world, some of which include:

- | | | | |
|-----------|-------------|----------------|---------------|
| Argentina | China | Mexico | United States |
| Canada | Netherlands | United Kingdom | |

Throughout our manufacturing organization, we are committed to operating as responsibly as possible – reducing air emissions, water effluents and solid waste as a ratio to production, decreasing use of fossil fuel energies, and limiting greenhouse gas emissions.

Values and Stakeholders

SC Johnson’s guiding values are captured in *This We Believe* – our hands-on practical statement of expectations for our operations around the world. *This We Believe* states our values in relation to the five groups of people to whom we are responsible and whose trust we have to earn:

Employees: We believe that the fundamental vitality and strength of our worldwide company lies in our people.

Consumers and Users: We believe in earning the enduring goodwill of consumers and users of our products and services.

General Public: We believe in being a responsible leader within the free market economy.

Neighbors and Hosts: We believe in contributing to the well-being of the countries and communities where we conduct business.

World Community: We believe in improving international understanding.

Our way of safeguarding these beliefs is to remain a privately held company. Our way of reinforcing them is to make profits through growth and development, profits that allow us to do more for all of the people on whom we depend.

Awards and Recognition

In the past year, SC Johnson has been honored with numerous awards and other forms of recognition. Here are just a few:

Named Vendor of the Year by Wal-Mart for the second consecutive year (SC Johnson United States).

SC Johnson was named a Great Place to Work in Argentina, Canada, France, Germany, Greece, Italy, Mexico, South Africa and the United Kingdom.



SC Johnson wins recognition for being a great place to work in Germany.

In the United States, SC Johnson won high praise from FORTUNE magazine, being named number seven among the top 10 of the 100 Best Companies to Work For in America.

Named an Employer of Choice for Women by Equal Opportunity for Women in the Workplace Agency (SC Johnson Australia).

Named to Corporate 100 list of top companies for Latinos by *Hispanic Magazine* (SC Johnson United States).

Mr. Muscle® Multi-Task named Product of the Year by 12,500 surveyed consumers (SC Johnson United Kingdom).

Received Gold Award for outstanding safety, health and environment by Lagos State Ministry of Health (SC Johnson Nigeria).

Received Annual Environmental Responsibility Award from The Industrial Environmental Association (IEA) and the California Manufacturers & Technology Association (CMTA) (SC Johnson United States).

Ranked among top 10 of the 100 Best Companies for Working Mothers by *Working Mother* magazine (SC Johnson United States).

Earned 100 percent on Human Rights Campaign Foundation Corporate Equality Index (SC Johnson United States).

Named among top 100 companies in the *Information Week* 500 (SC Johnson United States).

Glade® **Wisp**® air freshener named Top New Product by National Association of Chain Drug Stores (SC Johnson United States).

Ranked third among Top 50 Manufacturers by *Happi Magazine* (SC Johnson United States).

Mr. Muscle® named Most Hygienic Cleaner by Turkish Consumer Reports Magazine (SC Johnson Turkey).

Named Wal-Mart Best Commercial Supplier of the Year (SC Johnson Brazil).

To learn about other SC Johnson recognition, visit www.scjohnson.com



Our Board of Directors

H. Fisk Johnson, Ph.D.
Chairman and CEO of S. C. Johnson & Son, Inc. and Chairman of the Board

Richard M. Thomson
Vice Chairman of the Board and retired Chairman and CEO of The Toronto-Dominion Bank

Robin R. Burns-McNeill
Retired President and CEO of Intimate Beauty Corporation, Victoria's Secret Beauty and aura science

Helen P. Johnson-Leipold
Chairman and CEO of Johnson Outdoors Inc.

John Jeffrey Louis
Chairman of Parson Capital Corporation

Steven R. Rogers
Gordon and Llura Gund Family Professor of Entrepreneurship, Kellogg School of Management

Christine Todd Whitman
Former U.S. Environmental Protection Agency Administrator and Former New Jersey Governor

Michael W. Wright
Retired Chairman, President and CEO of SUPERVALU Inc.

SC JOHNSON GLOBAL SHARE

SC Johnson is a global share leader in a majority of the categories in which we do business.

CATEGORIES WHERE SC JOHNSON'S GLOBAL SHARE RANK IS #1

AIR CARE

FURNITURE CARE

DRAIN CARE

STORAGE BAGS

TOILET CARE

INSECT CONTROL

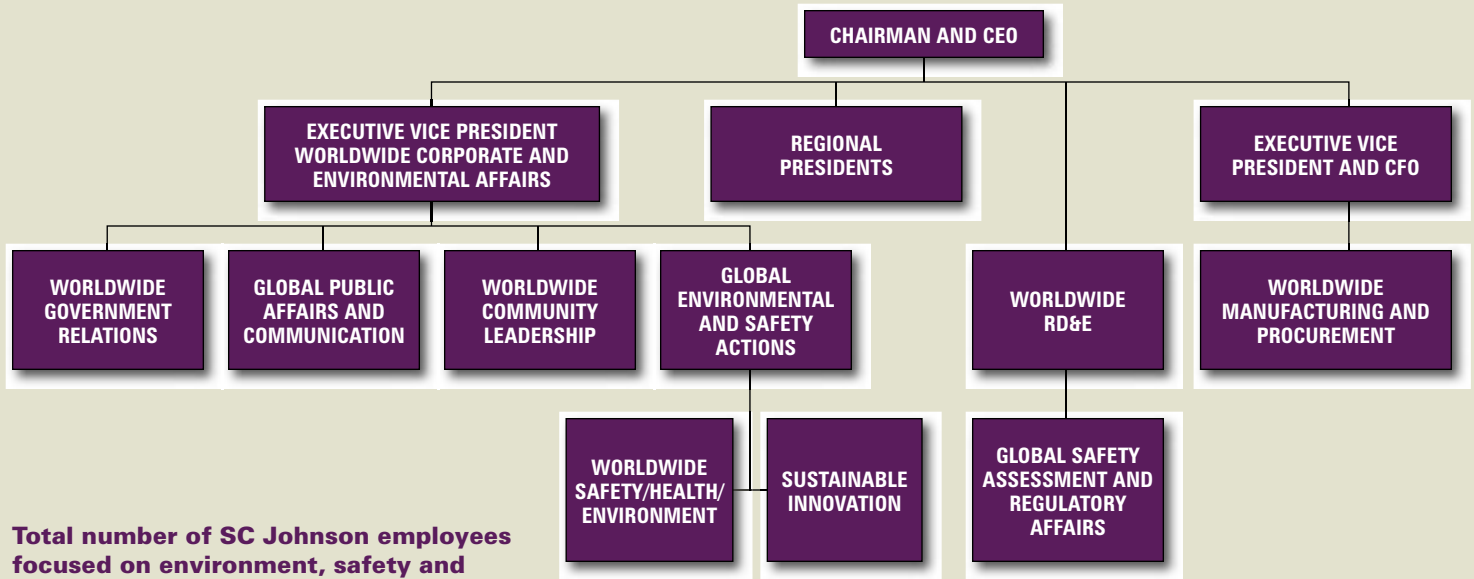
GLASS CLEANERS

FABRIC CARE

Global share rank based on SC Johnson's position in top markets where we sell in these categories, as of April 1, 2005.

Organizing for Sustainability

From the Chairman and CEO's office to the manufacturing line, the people of SC Johnson at all levels have an impact on the sustainability of our business, our communities, our products and our planet. Here's a look at how we are organized for sustainability:



Our Sustainability Strategies

SC Johnson acts on its values through the sustainability strategies that drive our operations around the globe.

Creating Economic Value

Our goal is to be the best at meeting emerging consumer needs to make consumers' lives easier, cleaner, healthier and better. In addition, we contribute to the economies of our host communities around the world by providing local employment and partnering with local organizations to create growth and opportunity.

Among the economic objectives articulated in *This We Believe* is a commitment to ensuring new investment fits constructively into the economic development of each host country and local community, and to involving ourselves in social, cultural and educational projects that enhance the quality of life in our communities. This report is filled with stories that illustrate these efforts.

Creating Environmental Value

Our current environmental strategy includes a number of goals for our five largest factories. Two additional top factories have joined the drive to meet these goals. Through 2004, we are ahead in all of the measures. Our objectives include:

- Phase out 100 percent of chlorine-based external packaging such as bleached paperboard containers or bottles made of polyvinyl chloride (PVC). (Accomplished in 2002.)
- Increase annually the use of **Greenlist™** materials, meaning those raw materials that are environmentally preferred according to our category-specific criteria. (Turn to page 26 to learn how our **Greenlist™** has helped us improve by 10 percent our overall environmental classification score.)

- Develop or apply sustainable development principles to business development programs for one or more business categories. (Turn to page 16 for just one example – our Healthy Children, Healthy Homes program in South Africa.)
- Achieve a 15 percent improvement versus 2000 in combined air emissions, water effluents and solid waste as a ratio to production. (Accomplished in 2003.)
- Achieve a 10 percent decrease versus our year 2000 baseline in the use of fossil fuel energies – such as oil, coal or natural gas – in our top five factories. (Accomplished in 2003 in seven of our top factories; turn to page 29 for an example.)
- Establish a year 2000 baseline of greenhouse gas emissions for our top five factories, and use innovative approaches to reduce emissions by 5 percent annually. (Turn to page 28 to learn how we achieved this goal three out of four years in our top seven factories.)

“One of the greatest benefits of being a family company is the ability to make decisions for the long term rather than for quarterly gains. The progress SC Johnson continues to make against our goals shows the power of this long-term focus.”

– Fisk Johnson, Chairman and CEO, SC Johnson

Creating Social Value

Our global Community Leadership Guidelines require that, at a minimum, each of our subsidiaries around the world fulfill these objectives:

- Demonstrate senior management leadership in the community, through the General Manager holding at least one board-level membership with a major local community non-profit organization. (We continue to achieve this goal at a majority of our subsidiaries around the world; turn to page 38.)
- Increase charitable giving as a percent of pre-tax profits. (Giving has almost doubled since 1994; turn to page 36.)
- Promote and coordinate at least one significant employee volunteer effort in the community each year. (Turn to page 37 to see examples from around the world.)

Our Key Sustainability Platforms

In addition to our overall sustainability strategies, SC Johnson pursues sustainable development in four key platform areas. Each platform focuses on an area where we believe we can make the biggest impact on quality of life, our product mix and on the planet. The platforms are:



Using Earth-Responsible Raw Materials

We continue to increase our use of environmentally preferred raw materials through our groundbreaking **Greenlist™** environmental classification system. *Turn to page 26 to learn more.*



Reducing Energy Consumption/Greenhouse Gas Emissions

We work to keep carbon dioxide out of the atmosphere by reducing our fossil fuel use and greenhouse gas emissions through a wide range of innovative efforts at our global facilities. *Turn to page 28 to learn more.*



Eliminating Insect-Borne Diseases

As the leading global marketer of household insecticides and repellents, we develop innovative, effective protection from mosquito-borne diseases, and we are working to make these products accessible to more consumers around the world. *Turn to page 23 to learn more.*



Advancing Social Equity/Public Health

We are committed to partnerships that drive positive social change, to reaching consumers who need and value quality products and services, and to improving quality of life around the world. *Turn to page 15 to learn more.*

CREATING VALUE IN NEW PLACES

Building at the Base of the Pyramid



For more than a century, SC Johnson has created value for our consumers and communities all over the globe.

In the last decade, we have initiated numerous projects that aim to enhance and expand our business while benefiting the people around us. In the pages that follow, you will find examples of how SC Johnson is creating value in countries such as South Africa, Kenya and Ghana, and with consumers at the base of the economic pyramid.

Through testing in Ghana supported by SC Johnson, it's been shown that mosquito traps such as the one pictured on the right side of the photo above can help control malaria when used as part of an integrated vector management program.

New Places, New Consumers

SC Johnson long has been committed to practicing and promoting what increasingly has become known as the “base of the pyramid” strategy. In 2004, this concept gained further recognition as we partnered with Stuart L. Hart, Samuel C. Johnson Chair of Sustainable Global Enterprise and Professor of Management at Cornell University’s Johnson Graduate School of Management, to develop the groundbreaking Base of the Pyramid Protocol.

Building on the concept of creating value for those most in need of support, SC Johnson participated throughout 2003 and 2004 in the creation of the protocol, through which the private sector and local communities build economic, social and environmental value at the base of the economic pyramid.

The protocol is a collaborative venture between Cornell University, the University of North Carolina, the University of Michigan, The World Resources Institute and The Johnson Foundation. The effort is supported financially by SC Johnson, DuPont, Hewlett-Packard and Tetra Pak.

The protocol encompasses a formal business process to generate value for all stakeholders. It provides a step-by-step process for initiating this model, including three key phases:

- **Opening Up** – launching non-business-specific immersion guided by two-way dialogue to understand the environment and generate competitive ideas
- **Building the Ecosystem** – generating a network of relationships among multinational corporations and local individuals and organizations that support co-creation and win-win strategies
- **Enterprise Creation** – piloting a test, evaluating results and then further launching business experiments that generate value for all constituencies

Following the protocol, multinational corporations can identify and develop sustainable new products and businesses in partnership with base of the pyramid consumers, resulting in lasting value that stems from a deep

SC JOHNSON CREATES VALUE THROUGH BASE OF THE PYRAMID PRINCIPLES

Here are a few of the insights shared in the Base of the Pyramid Protocol that SC Johnson helped develop:

“Put the Last First”

Insights come from seeking out the base of the pyramid voices, which are seldom heard

“Co-Develop Solutions”

Success comes from mutual learning between multinational corporations, partners and base of the pyramid members

“Create Mutual Value”

All parties must benefit in terms important to them



An interior view of Wingspread.

Photo by James L. Stanfield, courtesy of The Johnson Foundation

What is The Johnson Foundation?

The Johnson Foundation sponsors conferences with other non-profit partners in the areas of education, sustainable development and the environment, democracy and community, and the family. In October 2004 it hosted “A Protocol for Sustainable Initiatives at the Base of the Pyramid.”

The Foundation was established in 1959 at Wingspread, the former home of the family of H.F. Johnson, Jr., the third generation of SC Johnson leadership.

Over the years, the Foundation has sponsored thousands of conferences at Wingspread on issues ranging from arms control to education to sustainable development. The United States’ National Public Radio has its roots in a Wingspread conference, as do the National Endowment for the Arts and numerous other organizations and movements.

“There is no inherent conflict between making the world a better place and achieving economic prosperity for all. Maintaining a principled commitment to global sustainability is not a soft approach to business – it is, in fact, the only pragmatic approach for long-term growth.”

– Fisk Johnson, Chairman and CEO, SC Johnson

understanding of their needs, perspectives and capabilities.

SC Johnson has been closely involved in the development of the protocol, and in 2004 participated in the design workshop that led to the draft protocol. This summer, we

are sponsoring field testing of the protocol in Kenya by funding interns from Cornell University, the University of North Carolina and the University of Michigan who will implement the protocol and document its impact. By doing this, we hope to learn more about base of the pyramid strategy and its implementation. Equally important, by making this process transparent and sharing the learnings, we hope to prove the tremendous positive impact that can be made by multinational corporations.

Ultimately, like its partners in this effort, SC Johnson aims to continue finding and implementing opportunities to generate local development and wealth while developing new capabilities and markets for our business.

Creating Value with Base of the Pyramid Consumers

SC Johnson’s current base of the pyramid projects focus on creating important, sustainable value in South Africa, Ghana and Kenya. Below is a look at each of these exciting projects.

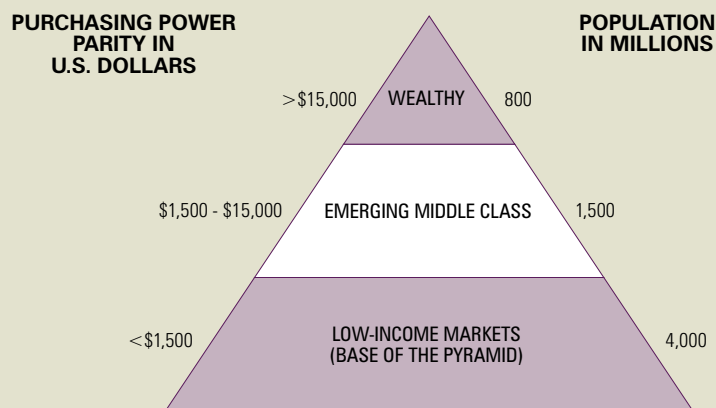
South Africa

According to world health authorities, malaria today accounts for more than 300 million acute illnesses and at least one million deaths annually. In Africa, malaria kills a child every 30 seconds. Yet the disease, which is transmitted by mosquitoes, can be greatly mitigated through protection from mosquito bites.

In keeping with base of the pyramid thinking, SC Johnson recognizes this public health issue as an opportunity to provide important, lasting health value for consumers while, at the same time, creating sustainable business value for the company. As the maker of **Raid®**, **Baygon®**, **OFF!®** and **Autan®** insect control products, we have a vested interest in ensuring that as consumers learn about the life-saving benefits of insect repellents, they associate these benefits with our products.

THE GLOBAL PYRAMID

About a quarter of the people at the base of the economic pyramid have a per capita income of less than one U.S. dollar a day.



What is the “base of the pyramid”?

The base of the pyramid, a concept coined by Stuart L. Hart and C.K. Prahalad, refers to the four billion people at the lowest economic level around the world. Their annual per capita income is less than \$1,500, which is the minimum considered necessary to sustain a decent life. About one billion base of the pyramid consumers have a per capita income of less than one U.S. dollar a day.

Source: *Capitalism at the Crossroads*, 111. Adapted from C.K. Prahalad and S. L. Hart (with assistance from Ted London) 2002. “The Fortune at the Bottom of the Pyramid.” *Strategy+Business*, 26 (2002): 54-67.



SC Johnson's Healthy Children, Healthy Homes program in South Africa influences public health by educating children from 900 schools about malaria prevention – and how to spread the word.

To do so, in 2004 SC Johnson launched a malaria prevention program in South Africa called Healthy Children, Healthy Homes. Through a collaborative effort between South Africa's National Department of Health, the Medical Research Council, RTI International and SC Johnson's **Raid**[®] brand of insect control products, the program works to build awareness of malaria control measures and improve public health.

Healthy Children, Healthy Homes is targeting three provinces with endemic malaria – Mpumalanga, Limpopo and Kwazulu-Natal – where health officials indicate a need for improved information, education and communication to local citizens and health workers. It includes presentations to school children at 300 schools in each province – a total of 450,000 children – with interactive educational materials about preventing malaria.

By teaching with games and take-home materials such as a **Raid**[®] brand calendar, the program not only aims to engage the children's interest and attention, but also encourages them to take the message home to help protect family and friends. In addition, the program establishes the **Raid**[®] insect control brand as the authority in protection from mosquitoes, providing the economic balance required to sustain investment by the company in this program.

The South Africa Healthy Children, Healthy Homes program builds on learnings from a pilot conducted by SC Johnson, RTI International, Florida International University School of Nursing and Zubi Advertising in Miami, Florida, which was aimed at increasing awareness of the triggers of asthma and effective household cleaning practices related to controlling these asthma triggers. In that program, too, the company worked to create new value for consumers while achieving sustainable business value.

Learn more about base of the pyramid strategy by visiting our online public report at www.scjohnson.com

SC Johnson supported the purchase of portable mosquito traps for a community in Tafo, Ghana. This year, the company's Ghana subsidiary contributed a gas supply tank to ensure a continuing source of propane for the traps.



Ghana

Malaria is the target of an SC Johnson public health program in Ghana as well. From 2003 to 2005, the company has sponsored a mosquito trap project there to study the potential for reducing the incidence of malaria in a defined community – the village of Tafo.

The project has used mosquito traps to remove mosquitoes around the living spaces of employees of the Ghana Cocoa Research Institute in Tafo. The portable traps, developed by American Biophysics, USA, attract mosquitoes and vacuum them up into a net within the device, allowing evaluation of the traps' performance.

A local medical clinic collects data on malaria incidence in the area – and the data has proved a reduction in malaria occurrences in the protected area. In 2004, despite the fact that overall malaria cases were up in the greater area, within the test site covered by the mosquito traps there were about half as many cases of malaria as there were in 2002.

“The time is now for the birth of a new, more inclusive form of commerce, one that lifts the entire human family while at the same time replenishing and restoring nature.”

– Stuart L. Hart, *Capitalism at the Crossroads*

The traps were purchased in 2003 and placed in the community of 3,000 by SC Johnson. Additional resources contributed by SC Johnson's Ghana subsidiary originally paid for the propane gas to fuel the mosquito traps.

This past year, SC Johnson Ghana contributed a gas supply tank to provide a continuing source of propane for the traps. The subsidiary worked closely with the local environmental authority and arranged installation and training so community members could operate, maintain and secure the gas supply. As a result, in addition to providing for the sustained operation of the traps, two jobs were created and the community now has a local supply of gas for cooking. Previously, community members had to visit a nearby city once a month to purchase propane.

The trap project, in addition to providing valuable public health protection for the local community, also provided a means for SC Johnson to assess the effect of mosquito traps within the context of an integrated vector management program – meaning one in which education, medication, mosquito nets and traps are all used together to provide a positive intervention against malaria. The successful pilot indicates that through the use of traps, malaria can be managed without behavior modification, and residents can be protected 24 hours a day, seven days a week.



A Historical Perspective

In an early example of “base of the pyramid” thinking, H.F. Johnson, Jr. undertook his Carnaúba Expedition to Brazil in 1935, searching for a sustainable source of carnaúba wax for SC Johnson products. Once in Brazil, H.F. established local production of the wax, bringing economic value and growth to the local community while providing needed business value for the company.

Kenya

In Kenya, where 200,000 subsistence farmers support more than a million people a year on just \$1 per day of income each, SC Johnson also has a project that targets the base of the pyramid. This effort, described in more detail in the “Economic Value” section of this publication, page 19, focuses on pyrethrum, or “py,” a cash crop for these Kenyan farmers and the country’s fifth-largest export crop. Py is an active ingredient that can be used in insecticides and is used by SC Johnson in **Raid®** and **Baygon®** insect control products.

Because of weather and other issues, the supply of pyrethrum became sporadic in the 1990s and prices fluctuated significantly. As a result, SC Johnson has not had a reliable source of py, and the farmers have suffered as their income has been unreliable.

Bringing base of the pyramid thinking to this issue, SC Johnson began exploring ways to reduce the price of py and stabilize the supply. We knew this would facilitate increased purchases of the ingredient, which would support our growth strategies. At the same time, the increased income would positively affect the lives of py growers and their families. Our efforts in this area, in which we are helping to bring affordable irrigation to py farmers, already are having a significant positive effect.

“As a multinational company, we have an obligation to not only serve those with greater financial means, but also those at the base of the pyramid. There are tremendous opportunities to help people, protect the environment and simultaneously do what is right for the business.”

– Fisk Johnson, Chairman and CEO, SC Johnson

With support from SC Johnson, hundreds of Kenyan pyrethrum (py) farmers now are using irrigation pumps to provide groundwater to their crops, resulting in greater py yield and, through this success, more economic security for their families.



E C O N O M I C V A L U E

Through Principles, Products and Processes



For SC Johnson, creating sustainable economic value means helping communities prosper while achieving profitable growth for the company. It's about being competitive at the same time we are compassionate.

It's about delivering both products and opportunity, to help make people's lives cleaner, easier, healthier and better.

By helping pyrethrum (py) farmers in Kenya produce a larger supply of py more reliably, SC Johnson helps increase their income while providing a stable py supply for our **Raid**® and **Baygon**® insect control products.

SC JOHNSON CREATES ECONOMIC VALUE THROUGH...

...Our products, which make people's lives cleaner, easier, healthier and better

...Our continuous innovation, which offers solutions for unmet needs

...Our partnerships, through which we are reaching new consumers and bringing value to them

...Our operations, which provide economic security to our 12,000 employees around the world and which work to support their local communities through business, philanthropy and volunteerism

The key to creating economic value is developing win-win solutions in which new business is established while valuable new benefits are delivered to consumers. For SC Johnson, this value covers a wide range – from the innovative new products we develop, to the “Product Plus” we pursue to ensure our products truly offer a valuable difference, to the exciting new business models we are exploring with base of the pyramid consumers.

Creating Value in Kenya

When it comes to economic value, a great case in point for SC Johnson is our work with pyrethrum farmers in Kenya. Average household income among pyrethrum, or “py,” farmers is typically \$1 or less per day. Many py farmers survive on only \$150 per year, supporting not just themselves but their families as well. In fact, about 200,000 subsistence farmers in Kenya support more than a million people.

SC Johnson's focus on these farmers relates to the crop they cultivate. Py is the country's fifth-largest export crop and is an active ingredient that can be used in insecticides. We use it in our **Raid®** and **Baygon®** insect control products.

Despite three decades of working with the Pyrethrum Board of Kenya to help build capacity, Kenya continued to lose share of the global insecticide actives market. Farmers suffered as their business and income declined. Weather and other issues in the 1990s caused further price fluctuations, meaning SC Johnson didn't have a reliable source of py at a reliable price.

Pyrethrum Farming in Kenya

SC Johnson is helping to bring economic value to farmers across the pyrethrum regions of Kenya.



Building on base of the pyramid thinking, SC Johnson has approached this issue with a new mindset. As emphasized in the base of the pyramid strategy, partners are key to creating mutual value – and that certainly is proving true

**To see the irrigation pump in action during
a promotional event, visit our online public report
at www.scjohnson.com**

for SC Johnson in Kenya. We developed a relationship with Appropriate Technologies for Enterprise Creation (ApproTEC), a globally respected non-governmental organization that develops new technologies and works with local entrepreneurs to launch businesses based on the technologies.

SC Johnson began providing financing for ApproTEC to market to py farmers a simple water pump operated manually to provide groundwater to crops. Previously, only about 12 percent of farmers irrigated, so this added capability can have a significant impact on crop yield.

Through promotions and event marketing – such as contests to determine who can fill a water tank faster using one of the pumps – py farmers are exposed to the pumps and have opportunities to purchase them in convenient locations. In our first year of partnership with ApproTEC, more than 10,000 farmers have had an opportunity to learn about the pumps through radio and newspaper advertisements, newsletters, posters, contests and other marketing.

Building from 11 initial pump dealers, five distribution points have been added, making the technology much more accessible to farmers. Hundreds of pumps have been sold and more given away during promotional contests.

As an added incentive – and enabling future economic value for SC Johnson – SC Johnson Kenya supplies a can of **Raid®** or **Baygon®** insecticide with every pump sold. This establishes our brands in the minds of these consumers who, thanks to the pump, will soon enter the middle class and have more disposable income for important public health products such as insecticides. In addition, the Pyrethrum Board of Kenya supplies a pack of pyrethrum seeds with every pump sold, providing further value to the farmers.

As a result of more widespread use of the pumps, we anticipate py production per acre to increase substantially, meaning SC Johnson can continue to use natural py rather than switching to a synthetic replacement. At the same time,

SC Johnson's effort in partnership with ApproTEC aims to increase pyrethrum farmers' household incomes through more widespread use of new technology. More than 10,000 farmers have had an opportunity to learn about the irrigation pumps through various marketing efforts.



Kenyan pyrethrum farmers receive a can of **Raid®** insecticide when they purchase an irrigation pump.





SC Johnson expects pyrethrum farmers to see a boost in household income that will enable improved nutrition, health and education.

py farmers will see a boost in household income that will enable improved nutrition, health and education for their families. We see this as a true example of the value that can be created – for all – with base of the pyramid strategy.

The Value of Our Products

As SC Johnson Chairman and CEO Fisk Johnson explains in one of the company’s television advertisements: “This has been a family business for five generations. I learned a lot from my father over the years.” The ad continues, “Listening is a very important part of running a family business. You listen, draw your inspiration from the

consumer, make certain we have products the consumer can see the difference in. To make our products better, we have to listen to people who buy **Glade**[®] or **Windex**[®] or all of our products. Listening – that’s how we come out with better products.”

SC Johnson’s consistent leadership position in the product categories in which we compete is based on listening and on delivering a product mix that continuously evolves to bring value to our consumers. More than 150 new products were launched around the world in the 2003/04 fiscal year. Millions of consumers around the world put their trust in SC Johnson and our brands, and we continue to help make their lives cleaner, easier, healthier and better.

Insect Control – Our **Raid**[®], **Baygon**[®], **OFF!**[®], **Autan**[®] and other insect control brands not only bring innovation and convenience to consumers around the world, they also provide vital public health assistance. For example, new **Raid CASA E JARDIN**[™] (House and Garden) insecticide in Brazil kills not only mosquitoes, but also the larvae of mosquitoes associated with dengue. The World Health Organization estimates there are as many as 50 million cases of dengue infection worldwide every year, and dengue hemorrhagic fever fatality rates can exceed 20 percent of those infected. Malaria also is spread by mosquitoes and accounts for more than 300 million illnesses and at least one million deaths annually. The best protection from these and other mosquito-borne diseases is repellents. And other SC Johnson products protect consumers from disease and irritation related to cockroaches, flies, bees, ticks, moths and other insects.

Home Cleaning – SC Johnson likewise provides significant consumer value with our household cleaning brands, including **Mr. Muscle**[®], **Pledge**[®], **Pronto**[®], **Toilet Duck**¹, **Drano**[®], **Vanish**[®], **Scrubbing Bubbles**[®], **Crew**[®], **Windex**[®], **fantastik**[®] and **Shout**[®]. For example, our new **Fresh Brush**[™] toilet brush, launched in various markets around the world, including the U.S., U.K., France and Japan, uses a flushable, biodegradable cleaning pad that’s safe for septic systems and provides high-level cleaning without the gummy mess.

Home Storage – In the home storage category, consumers from Bangkok to Buenos Aires and San Francisco to Santiago see the public health benefits of protecting food with **Ziploc**[®] brand bags and containers. New **Ziploc**[®] brand **Twist ‘n Loc**[™] containers combine the benefit of a leak-resistant seal with an easy-to-use twist-off lid. From vegetables to meat and soups to salads, our products help ensure consumers’ food stays fresh until they are ready to eat it. And that’s not to mention the many other ways that the **Ziploc**[®] brand helps protect non-food items.

Air Care – from aerosols, to candles, to **PlugIns**[®], to our new **Wisp**[®] battery-operated continuous action air freshener, SC Johnson’s **Glade**[®], **Brise**[®] and **Oust**[®] brands bring a wide range of air freshening to consumers at various economic levels. **Oust**[®] is the first-ever air sanitizer, which kills odor-causing bacteria in the air.



¹ Toilet Duck is a trademark of Düring AG and used under license.

Innovation in Action

At SC Johnson, we believe innovation drives success. We pursue what we call "Product Plus" – a meaningful, consumer-relevant advantage over what is in the marketplace. Ultimately, it's about continually upgrading our products to provide an overall consumer experience that is superior to the competition and drives consumer preference.

Here are just a few examples:

- **Mr. Muscle® Multi-Task** was the first United Kingdom-launched multipurpose trigger cleaner capable of cleaning both hard and soft surfaces.



- **Glade® Wisp®** air freshener, marketed in some countries as **Brise On&On™**, provides portable, continuous action air freshening that doesn't fade – a benefit greatly valued by consumers.

- In Japan, **Pipe Unish™ Quick Action Slime Remover** meets the previously unmet consumer need for cleaning kitchen strainers quickly and effectively.



- In Chile, SC Johnson is addressing a consumer need with a mat repellent specifically designed to fight flies – one of the most common insects there.



- In the U.S., new **OFF! Deep Woods® Towelettes** offer consumers an easy-to-apply insect repellent while still providing effective protection against mosquitoes.

- SC Johnson's new toilet bowl brush with disposable cleaning pads, which is marketed in various countries under the **Scrubbing Bubbles®**, **Toilet Duck¹**, **Pato¹** and **Shut®** brand names, eliminates the germy mess of toilet brushes and a concern of 97 percent of consumers.



¹ Toilet Duck and Pato are trademarks of Düring AG and used under license.

Reaching New Consumers – Along with driving innovation for our existing consumers, SC Johnson is bringing our product benefits to new consumers through lower-cost items designed or packaged especially for consumers closer to the base of the pyramid.

- In Thailand, although **Raid®** mosquito coils typically are sold in boxes of six coils, lower-income consumers can buy an individual coil for just eight cents. Many consumers use a single coil for two nights, meaning they can afford important protection from mosquito-borne illnesses for less than \$15 a year.
- In Russia, the company launched lower-count packages of **Raid®** continuous action electric mosquito repellent refills, bringing the consumer's per-purchase investment down to 57 cents for 10 refills.
- In Argentina, SC Johnson sells lower-count packages of **Ziploc®** brand bags, such as six bags for 97 cents. This allows lower-income consumers to buy into the category with a smaller investment and take advantage of the food protection and freshness provided by our home storage products.
- In Mexico, the company determined that despite the greater protection afforded from disease, many consumers couldn't trade up from mosquito coils to a continuous action electric mosquito repellent because they couldn't afford the initial \$2.60 cost of the plug-in heater. SC Johnson Mexico conducted a house-by-house sampling program in which consumers received a free heater and four of the refillable mats, which each last about 12 hours. As a result, the only ongoing cost for added protection is 13 cents. As a result of this program, our share of market grew 200 percent.
- In India, **AllOut®** brand mosquito repellents are a low-cost electric option that bring continuous-action protection to consumers at a very low price point.



And More – Around the world, other SC Johnson products continue to bring value to consumers and product leadership for the company. **Edge®** and **Skintimate®** shave products are leaders in their countries, and in France, our furniture care brand **Pliz®** earned the Trophée de la Maison 2004 consumer choice award. In the Netherlands, our **Brise®** air fresheners won the prestigious Wheel of Retail award for driving category growth in the supermarket category. And, SC Johnson U.K.'s **Mr. Muscle® Multi-Task** cleaner recently was honored with the Product of the Year award in the general household cleaning products category by industry professionals and consumers alike.

Committed to Product Safety

SC Johnson upholds a world-class safety policy, along with strategic action and education partnerships, that help us ensure continuously improving products and safer processes. All of our products are extensively evaluated for safety and toxicity, and comply with – and often exceed – local quality and safety regulations.

Our Global Safety Assessment and Regulatory Affairs (GSARA) division helps ensure safety, regulatory and environmental compliance during the product life cycle. Our Technical Risk Assessment Committee (TRAC) helps ensure that new products meet the internal safety standards of the company and the various safety, regulatory and legal requirements in each country where the product is intended to be marketed. TRAC is a cross-functional group whose mission is to help ensure worldwide device safety throughout the product life cycle.

In addition, SC Johnson's Product Toxicologists help ensure that the company's products are thoroughly evaluated for human health and safety. Their main focus is evaluating product formulations, packaging and label language prior to placing products in consumers' homes or launching a product. The hazards and risks of products are thoroughly evaluated with consumer safety as a primary goal.

Should a need occur, the company has a comprehensive incident management system in place to efficiently manage incidents that could be related to a company product. We are committed to doing the right thing, and we partner with local agencies and organizations as needed to do so.

SC Johnson publishes Material Safety Data Sheets (MSDS) for many products online, making them easily accessible to partners and stakeholders. As an example, to view our U.S. MSDS, visit our corporate website at www.scjohnson.com



Historical Perspective

Here are just a few milestones from our history of growth:

- 1886** – Flooring business purchased by Samuel Curtis Johnson.
- 1914** – First international subsidiary formed in Britain.
- 1955** – Intense innovation leads to launches of Raid®, Glade®, OFF!® and Pledge®.
- 1957** – Start of major global expansion – 30 subsidiary companies added through 1971.
- 1970** – First Edge® shave product introduced.
- 1992** – Company acquired The Drackett Company with Windex®, Vanish® and Drano® brands.
- 1998** – Company adds Ziploc®, Saran™, Scrubbing Bubbles® and fantastik® brands.
- 2003** – SC Johnson acquires Baygon® insecticides and Autan® repellents.

A Word from a Consumer

"After a near-death experience with my family, I felt compelled to write and thank your company for developing the Ziploc® bag... [My family] decided to go on a canoe trip on the Potomac River in Maryland. It was a beautiful day. My husband was in a kayak and the children and I were in an aluminum canoe. My husband signaled to us to follow him into a channel so we could stop for lunch. Our adventure soon turned into a nightmare as our canoe got pinned up against a fallen tree. The current was extremely fast. The canoe filled with water and, almost instantly, the three children and I were hanging onto the tree as the water pulled the canoe under and away from us.

"Luckily my husband worked his way over to where we were and I handed him one child at a time. Once we were all on solid ground, we needed somehow to get word that we needed help. The canoe was lodged underwater, pinned between rocks and the fallen tree. I remembered that I had placed my cell phone in a Ziploc® bag. Although we were not hopeful, my husband worked his way back to the canoe in search of the phone.

"I can't tell you how happy and relieved we were to find the phone was perfectly dry inside that bag!! We called rescue and in no time we had a helicopter and rescue boats ready to pluck us off the rock...

"I have one more 'Ziploc® saves the day' story from that day... Although we were very happy to have the family safe on the rock, we still had the issue of transporting both the canoe and the kayak out of the river. A group of men on canoes came by and they helped my husband dislodge the canoe from the rock. However, the canoe had a large gash in it and we had nothing to fix it with. So, we decided to put the Ziploc® bag that had contained the phone through the gash and it worked like a charm – not a drop of water went into the boat!

"I have never written to any company about their product, but I can't tell you how grateful I am that your product lived up to its marketing. Personally, I was terrified as I hung on to my kids on that tree and then equally concerned about getting them off the rock. Ziploc® bags will always be a part of our life. Thanks again and again."

Lily Fernandez Richardson
Virginia, USA



ENVIRONMENTAL VALUE

To Protect the World for Future Generations



For SC Johnson, creating sustainable environmental value means protecting resources and the planet for future generations. This goal influences how we power our operations, how we develop our formulas, how we manufacture and how we package our products.

As a 119-year-old family-managed company, we measure our success not by the next quarter's balance sheet, but by the legacy we leave for future generations.

SC JOHNSON CREATES ENVIRONMENTAL VALUE THROUGH...

...Developing products with more environmentally preferred ingredients

...Finding cleaner sources of energy to power our operations

...Reducing the emissions and greenhouse gases associated with our operations

As we work to produce innovative and quality products that meet consumers' needs, we actively seek ways to do so that won't compromise the quality of the air, water and soil for future generations. From responsible energy use, to product stewardship, to emissions reduction, SC Johnson's efforts are helping to protect the world for future generations.

SC Johnson's Greenlist™ – Institutionalizing Product Stewardship

Building on our long history of environmentally responsible products, in 2001 SC Johnson devised an environmental classification system that has transformed the way we measure, track and continue to advance our products. Over the past four years, this process, called **Greenlist™**, has helped us continue to phase in more and more materials considered to be environmentally "better" and "best." It also has helped increase awareness among our scientists about the impact of their raw material choices.

SC Johnson's **Greenlist™** process formalizes the classification of raw materials used in our products according to their impact on the environment and human health. The result is a process that gives SC Johnson scientists instant access to a rating of ingredients in any new product or reformulation.

How Greenlist™ Works

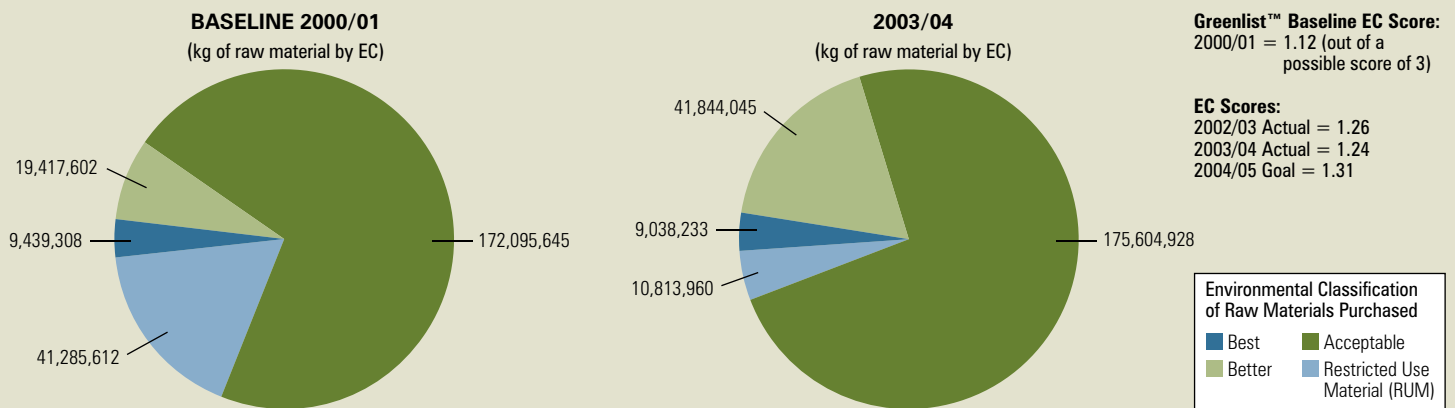
Each ingredient receives a rating from 3 to 0. An ingredient with a 3 rating is considered "Best;" 2 is "Better;" 1 is "Acceptable;" and 0 is "Unacceptable." The criteria include biodegradability, aquatic toxicity, human toxicity, EU Environment Classification, source/supply, vapor pressure and octanol/water coefficient.

The criteria for each raw material are selected based on applicability to the ingredient. For example, vapor pressure is an appropriate criterion for organic solvents but not for surfactants; biodegradability, in turn, is appropriate for surfactants, which typically are disposed in wastewater.

Greenlist™ originally focused on five key categories of ingredients: surfactants, propellants, home storage resins, insecticides and solvents. Today, in keeping with our commitment to continuous improvement, it covers 15 categories of materials, including: packaging, chelants and sequestering

TOTAL GREENLIST™ ENVIRONMENTAL CLASSIFICATION SCORE

In 2004, SC Johnson's overall **Greenlist™** environmental classification (EC) score improved 10 percent versus the company's first-year goal of 8 percent.



agents, antimicrobials/preservatives, fragrance, candle waxes/fuel, non-woven/fabrics and organic/inorganic acids and bases. Future categories already under study include thickeners, colorants, dyes and inks.

Over the years, SC Johnson has aimed to improve our products beyond regulatory requirements to meet SC Johnson's own high standards. We aim to avoid using materials that while legal to use, have been deemed by SC Johnson to have a 0 rating. We consider these "Restricted Use Materials," or RUMs, and continuously work to find better replacements.

When SC Johnson scientists formulate a new product, they try to choose raw materials rated "Better" or "Best." When existing products are reformulated, the scientist must include ingredients that have ratings equal to or higher than the original formula. Scientists are discouraged from using RUMs unless there are no viable alternatives. In that case, using a RUM in any SC Johnson product requires direct approval from top management –

To see SC Johnson scientists discuss the value of **Greenlist™**, visit our online public report at www.scjohnson.com

a consequence managers try to avoid since authorization is limited due to the company's high standards.

The **Greenlist™** process was designed to allow flexibility that contributes to improved choices not only inside SC Johnson, but also in our supply chain. The source/supply criteria in particular allows consideration of more sustainable resources, including renewable materials. It also recognizes the value of suppliers that demonstrate a higher level of environmental responsibility such as that confirmed by ISO 14001 certification.

Sharing Greenlist™ to Create Change

In an effort to help drive change through transparency and shared learnings, SC Johnson has shared the **Greenlist™** process with numerous stakeholders including the U.S. Environmental Protection Agency, Environment Canada, the Chinese EPA, industry associations, universities, corporations and others. Equally important, we have been able to use insights from **Greenlist™** to partner with our suppliers and identify and develop ingredients that are more environmentally sustainable.

Greenlist™ Results

When SC Johnson introduced **Greenlist™** in 2001, we wanted to achieve an 8 percent increase in our overall **Greenlist™** score for all products by the end of our fiscal year 2002/03. This meant continuing to improve our products beyond regulatory requirements to meet SC Johnson's own high standards. We exceeded that goal and in 2004 we improved our environmental classification score by 10 percent. Here are a few specific examples of the positive impact of **Greenlist™**.

- Since 2001, SC Johnson has **increased the use of "Better" and "Best" materials by more than 13,000,000 kg** and eliminated more than 11 million kg of RUMs.
- We **phased out chlorine-based external packaging materials worldwide** in December 2002...
 - We **phased out bottles made of polyvinyl chloride (PVC)** eliminating use of 1,300 metric tons of PVC.
 - We **phased out the use of bleached paperboard**, which uses elemental chlorine in the bleaching process, eliminating more than 50 metric tons of chlorine bleached paperboard.
- We **reduced hydrocarbon propellant by 16 percent** in one of our key aerosol brands. This eliminated 2.8 million pounds of volatile organic compounds (VOCs).
- We **reformulated the Saran™ Original plastic wrap formula** that was used when we acquired the brand. In July 2004, we introduced a new SC Johnson formula that eliminated 1.8 million kg of PVDC while retaining easy handling quality and improving stretch.
- We **surpassed the California Air Resources Board's requirements** by using a non-VOC solvent in one of our leading insect control brands.
- We **reduced VOCs twice in two years in one of our top home cleaning formulas**. In 2002, a VOC solvent was reduced, resulting in a 400,000-pound VOC reduction. In 2004, this cleaner was again reformulated, eliminating 1.8 million pounds of VOCs while improving the product's effectiveness by 30 percent.
- Since we launched **Greenlist™** in 2001, we have **removed more than 10 million pounds of VOCs** from our environmental footprint – and we continue to remove about 2.6 million more each year.

In keeping with the principles of sustainable development, not only have these improvements generated significant long-term value for consumers and the planet, they also have not significantly increased overall costs for SC Johnson.



Greening Energy in the United Kingdom

SC Johnson's manufacturing facility in Frimley, U.K., turns to "green" energy to reduce environmental impacts and improve the plant's cost efficiencies. As an example, we have a contract with British Energy that ensures the total quantity of electricity supplied to SC Johnson will be matched with renewable electricity production from sources such as wind or biomass. This contract has reduced our carbon dioxide emissions by 4,185,000 kg annually.

In 2004, the Frimley plant reduced energy use by 115,000 kw/hr, with anticipated savings of another 130,000 kw/hr from projects currently under review or design. To achieve those savings, the facility installed double-glazing in front offices, an "on-demand" soft water system, individual lighting switches in manufacturing areas and timers in bathrooms to eliminate all-night illumination.

Our plant managers in the U.K. continue to pursue continuous improvement and have already completed preliminary designs for air curtains in the factory's warehouse. Their installation will provide another estimated 100,000 kw/hr savings. In addition, the facility is investigating lighting upgrades to the Category Five standard, with a projected savings of 30,000 kw/hr.

Finally, weekly energy audits have been inaugurated at the facility to identify possible air leaks and any other opportunities for energy savings.

Training Administrator Nigel Williams of our Frimley plant in the U.K. operates the on-demand soft water system. This new system operates only when there is a requirement for soft water, saving 50,000 kw/hr of electricity per year.

In 2004, SC Johnson was honored to receive the Annual Environmental Responsibility Award for our efforts in product stewardship. The award is sponsored by the Industrial Environmental Association (IEA) and the California Manufacturers & Technology Association (CMTA) to recognize environmental programs such as **Greenlist™** that promote sustainable development.

Reducing Emissions and Greenhouse Gases

In addition to ensuring our products are environmentally responsible, SC Johnson aims to minimize the emissions and greenhouse gases (GHGs) associated with the production of our products. In 2000, we established a baseline of GHG emissions for our five largest global factories. Two additional factories voluntarily joined the program, and since 2000 we have made great strides.

For example, our largest manufacturing facility, Waxdale, has begun installing energy monitoring systems to track the amount of energy being used in real-time. This gives production staff the ability to monitor the energy being used and make appropriate adjustments to conserve.

For instance, some manufacturing lines now have a special instrument that tracks kilowatts of energy used, creating a benchmark for use and a way to track total kilowatts whenever the line is stopped. A second energy monitoring system focuses on interior lighting control within the production area. This customized system turns off lights whenever designated lines are not running – and it's linked directly to the lines, so it makes saving energy automatic.

SC Johnson also has taken aggressive steps to reduce GHG emissions. Globally, we set a target to reduce GHG emissions by 5 percent per year as a ratio to production. Surpassing that goal, SC Johnson already has cut GHG emissions at our largest manufacturing facilities worldwide by nearly 30 percent. We also were one of the first companies to join the U.S. Environmental Protection Agency's Climate Leaders program, a voluntary effort to reduce GHG emissions.

In another example, the company continues to offset the environmental impact of large meetings in the Europe/Africa/Near East Region. A sufficient number of trees are planted to help offset the carbon dioxide emissions resulting from attendee travel, while also helping to restore a natural woodland in the United Kingdom.

To see a video about special energy monitoring systems at Waxdale, visit our online public report at www.scjohnson.com

Here's how SC Johnson's cogeneration turbine systems work.



Harnessing Cleaner Energy

On Earth Day 2004, SC Johnson announced plans to construct a second cogeneration turbine, fueled by natural gas and waste methane generated at a local landfill, to

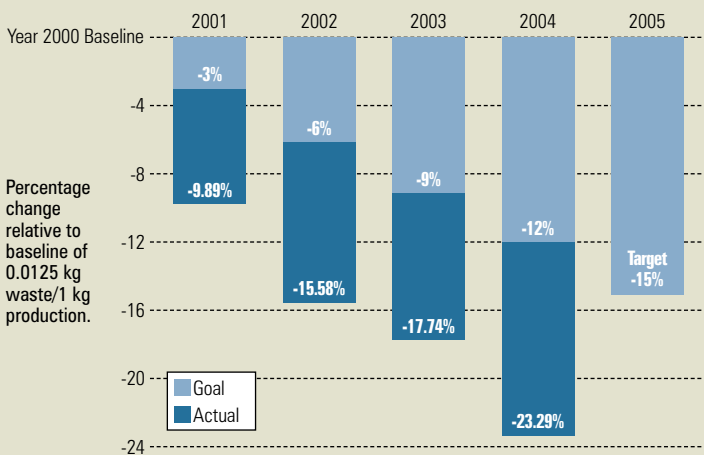
provide electricity and steam to the company's largest manufacturing facility, which is located in Racine, Wisconsin. Covering 2.2 million square feet, this facility, called Waxdale, is equal in length to 36 football fields. Seventy million cases of product are shipped out of Waxdale annually.

The new turbine builds on the success of a similar turbine installed last year, for which SC Johnson received the 2004 Wisconsin Governor's Award for Excellence in Environmental Performance. Together, the two turbines will meet the daily base-load electrical demand for the entire facility, making it the first consumer packaged goods manufacturing facility in the Midwest to produce a significant portion of its own energy through clean-burning technologies. Moreover, as we decrease GHG emissions and make our own electricity and steam, we also reduce our use of fossil fuels.

With the addition of this new turbine, which will be completed in the fall of 2005, SC Johnson will reduce our total GHG emissions by an additional 20,000 tons per year. In effect, we are removing the equivalent of 149 railroad cars full of coal from the Southeastern Wisconsin environment annually. The two-turbine system will reduce total emissions from our Wisconsin plant by 52,000 tons of greenhouse gases annually – the amount of GHG emissions produced by 4,210 automobiles. At the same time, SC Johnson will benefit financially, since the system reduces the company's use of heavily coal-dependent electricity and saves millions of dollars per year.

EMISSIONS REDUCTIONS

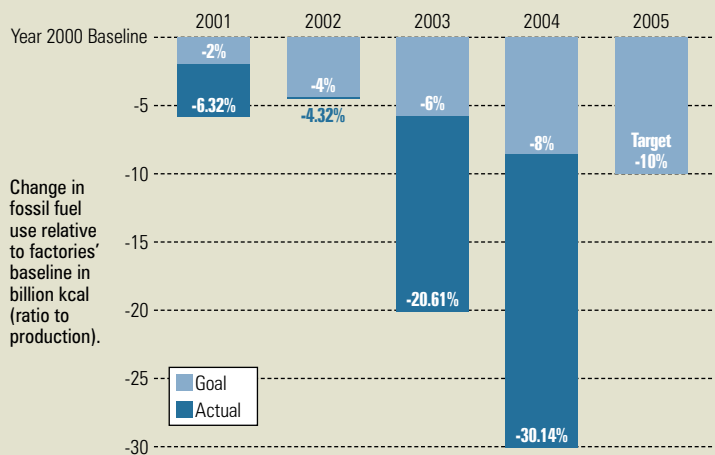
Since the baseline year of 2000, the company has reduced worldwide emissions by 23.29 percent.



GOAL: Achieve a 15 percent improvement versus 2000 in combined air emissions, water effluents and solid waste as a ratio to production.

FOSSIL FUEL REDUCTIONS

Since the baseline year of 2000, the company has reduced fossil fuel use by 30.14 percent at our top seven factories.

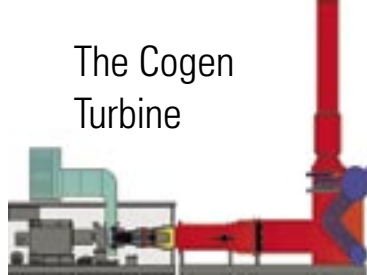


GOAL: Achieve a 10 percent decrease versus our year 2000 baseline in the use of fossil fuel energies – such as oil, coal or natural gas – in our top seven factories.

3 which is piped to Waxdale...



4 to create green energy...



5 that powers our manufacturing



Sharing Knowledge Globally

SC Johnson doesn't just aim to do the right thing – we also work to improve international understanding of important topics such as sustainability.

We have shared **Greenlist™** with our own suppliers and retailers, and with other companies worldwide. In 2004, we shared the system with Chinese companies representing the chemical, petrochemical, steel and metallurgy industries.

We also extended our technical resources to Chinese governmental agencies eager to learn about innovative methods for addressing environmental challenges. We worked with the Environmental Protection Bureau of Xinjiang Province, the Division of Pollution Control of Qingdao City, the Environmental Protection Bureau of Kelamayi City and the Environmental Surveillance Detachment of Jilin City.

SC Johnson also has served as guest speaker and participant in forums sponsored by the Federation of Environmental Technologies, Cornell University's CSE Engineering Conference, the Center for Sustainable Innovation (Surrey, United Kingdom), Environmental Defense, WorldWise, the World Wildlife Fund, the World Resources Institute and the Green Chemistry Network.

The company presented its response to climate change, highlighting its landfill gas Green Energies program, at the ninth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP9) in Milan, Italy in December 2003.

Responsibility is the Policy

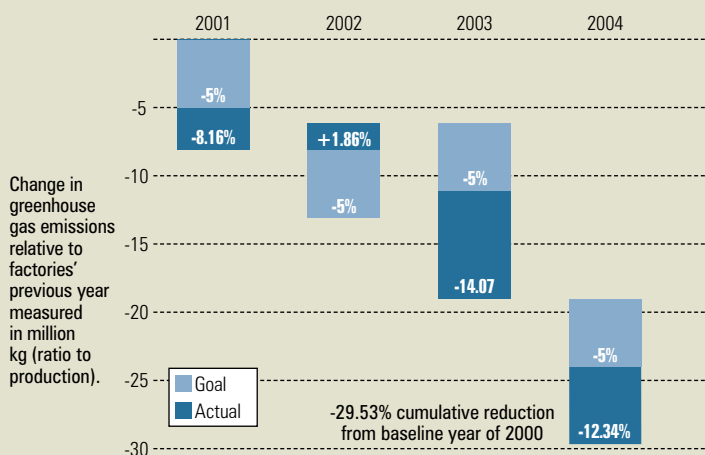
Our environmental strategy starts with a policy. This formal policy includes aspects of compliance with applicable requirements, pollution prevention, resource conservation, risk assessment and tracking for continual improvement.

For example, our North America Safety, Health and Environment (SHE) policy requires all facilities to actively pursue goals such as:

- Keep the SHE policy up to date, documented, implemented and communicated.
- Meet or exceed SC Johnson SHE requirements and other applicable SHE standards.
- Advocate SHE priorities for industry, through professional associations, government agencies and public groups.
- Prepare for potential emergencies and respond promptly to emergency situations.
- Evaluate operations regularly to reduce SHE impacts.

GREENHOUSE GAS REDUCTIONS

In 2004, the company's top factories reduced greenhouse gas (GHG) emissions 12.34 percent from the prior year, and 29.53 percent from the baseline year of 2000. Fire at an Argentina warehouse added 3.9 million kg of additional GHG emissions, which is not included below.



GOAL: Establish a 2000 baseline of greenhouse gas (GHG) emissions for our top factories, and use innovative approaches to reduce emissions by 5 percent annually.

Environmental Metrics and Results

Today, SC Johnson's environmental strategic plan is one of our top corporate strategic objectives. In our third five-year plan, the company focuses on our largest production facilities across the globe. This chart summarizes the company's key measures to be achieved by the end of 2005, and our results against those objectives in the past year.

METRICS	RESULTS
Increase annually the use of Greenlist™ materials, meaning those raw materials that are environmentally preferred according to our category-specific criteria.	ACHIEVED. In 2004, our overall Greenlist™ environmental classification score improved 10 percent versus the company's first-year goal of 8 percent.
Develop or apply sustainable development principles to business development programs for one or more business categories.	ACHIEVED. In 2004, completed our second SC Johnson/Raid® Healthy Children, Healthy Homes™ pilot in Miami, focusing on asthma prevention. Also conducted various economic development programs in South Africa, Kenya and Ghana.
Achieve a 15 percent improvement versus 2000 in combined air emissions, water effluents and solid waste as a ratio to production.	ACHIEVED. We accomplished this goal in 2003. In 2004, achieved a 23.29 percent reduction versus our baseline year.
Achieve a 10 percent decrease versus our year 2000 baseline in the use of fossil fuel energies – such as oil, coal or natural gas – in our top seven factories.	ACHIEVED. We accomplished this goal in 2003. In 2004, achieved a 30.14 percent reduction versus our baseline year.
Establish a 2000 baseline of greenhouse gas (GHG) emissions for our top seven factories, and use innovative approaches to reduce emissions by 5 percent annually.	ACHIEVED. We achieved this goal in three out of four years. In 2004, the company's top factories reduced GHG emissions 12.34 percent from the prior year.
Phase out 100 percent of chlorine-based external packaging such as bleached paperboard containers or bottles made of polyvinyl chloride (PVC), a resin derived from chlorine.	ACHIEVED. In December 2002, we eliminated the use of chlorine-based packaging including PVC bottles worldwide.

- Provide employees and contractors with training that emphasizes individual responsibility and ensure they understand and adhere to our SHE practices and procedures.
- Provide medical services, initial and preventive examinations, and health programs to employees.
- Set SHE objectives and targets relevant to the significant aspects of our operations.
- Measure and report our SHE performance, and regularly evaluate our procedures and operations to ensure continual improvement and compliance with this policy.
- Allocate employee and management resources to implement these principles.

SHE Support Around the Globe

As part of a comprehensive SHE program for the company, our worldwide SHE staff supports plant safety and environmental programs at operations around the globe. Local staff is responsible for implementing safety and environmental programs and making sure the manufacturing operation meets safety, health and environmental requirements.

SHE managers visit each plant for three to 10 days a year and suggest ways to create even safer, healthier and more environmentally sound work environments. When a new manufacturing line goes in at a plant, SHE staff visit the plant to ensure the new addition adheres to corporate standards. SHE also audits product safety, regulatory and environmental programs to ensure regulatory compliance. This includes everything from product ingredients to warning statements on labels. The team also holds conferences to train SHE managers on SHE program standards.

Balancing Industry and the Environment in China

SC Johnson is a part of China's growth, and we want to be part of its future – a future in which a healthy environment supports an equally healthy economy and society.

That's why as manufacturing improvements have been made by SC Johnson China, we have brought the highest environmental standards to the work.

In Pudong, Shanghai, our plant now uses the city's steam energy, thereby eliminating the need for a coal-fired boiler. Similarly, instead of the diesel-fired incinerator

at the original facility, SC Johnson developed an off-site disposal program at an approved site for waste generated at the plant. Floor drains were eliminated to ensure proper waste disposal. We replaced the multiple tank system at the former plant with two larger LPG tanks, minimizing switching between tanks and reducing LPG emissions. Finally, we designed a facility-specific wastewater treatment plant that enables us to meet exacting effluent quality standards on site.



Our operation in Pudong, Shanghai.

Since 1993, the worldwide SHE team has audited each manufacturing operation at least once every five years. When an audit finds that an operation needs improvement, the SHE team helps develop a plan of action. They receive regular updates and report progress to the Audit Committee of SC Johnson's Board of Directors and the Corporate Executive Committee of the company.

“As a company, SC Johnson is committed to investing in technology and programs that help preserve the Earth’s resources. In the end, this is about doing what’s right for business and the environment.”

– Fisk Johnson, Chairman and CEO, SC Johnson

Although studies show that many consumer purchases currently are not influenced by environmental factors, we are confident that they will be some day. At that time, we anticipate a win for the environment and a win for SC Johnson because we have a long track record of responsibility, and we work to communicate the benefits of, and potential for, recycling to our consumers.

SC Johnson long has placed a priority on recycling. We vigorously pursue opportunities to recycle waste before other waste management practices are applied. We aim to use renewable natural resources in a sustainable way – for example, using 95 percent recycled content corrugated shipping containers. We also encourage the recycling of our products through labels on our packaging.

Since 1995, the company has been recycling virtually all paper, corrugated, plastic, glass and steel materials in our manufacturing and office facilities. We also have helped lead efforts to increase recycling by consumers. Beginning in the 1990s, SC Johnson has helped lead a North American recycling coalition in more than 5,600 U.S. communities, recapturing more than five billion pounds of waste cans and aerosol containers.

The program works. Since the mid 1980s, there has been continuous improvement in responsible environmental practices and a decline in the number of accidents, injuries and illnesses at our manufacturing facilities.

Leading in Recycling

Although studies show that many consumer purchases currently are not

Many SC Johnson products carry environmental labeling that educates consumers about how to recycle the packaging.



Sam Johnson

Historical Perspective

SC Johnson has a long history of environmental responsibility. Here are just a few milestones:

1935 – H. F. Johnson, Jr., led the Carnaúba Expedition to Brazil in search of a sustainable source of wax for our products.

1975 – SC Johnson voluntarily and unilaterally eliminated CFCs from its aerosol products, three years before the U.S. mandate.

1994 – SC Johnson received the World Environment Center Gold Medal for International Corporate Achievement in Sustainable Development.

2001 – SC Johnson developed the first-of-its-kind Greenlist™ environmental classification system as a method to evaluate raw materials based on their environmental impact.

2003 – SC Johnson broke ground on the first turbine for our landfill gas Green Energies project that uses cogeneration to create steam and electricity for our largest manufacturing site while cutting greenhouse gas emissions by half.

2003 – U.S. EPA awarded SC Johnson the first-ever Lifetime Atmospheric Achievement Award.

2004 – SC Johnson announces installation of a second clean-burning gas turbine that will boost greenhouse gas emission reductions to 52,000 tons annually.

S O C I A L V A L U E

Through People, Products and Partnerships



SC Johnson believes we have a responsibility to make the communities in which we live and work a better place because we are there. We have acted on this belief since we were founded in 1886, and continue to make a difference through local community leadership, active volunteerism and charitable giving.

"Wherever we operate, we are guided by the same basic principle that no matter how large or small we are within the community, we can and should make a difference." These words from SC Johnson Chairman and CEO Fisk Johnson illuminate the basic principle that guides our ongoing efforts to make an impact.

We create value around the world through responsible, caring efforts – from protecting against malaria in South Africa, to supporting the emergency tsunami relief efforts in Asia, to bringing technology to students in Colombia.

SC Johnson also supports communities through significant financial contributions, providing 5 percent of pre-tax profits from U.S. operations – nearly four times the average level of corporate giving. Worldwide it's a similar story, with our subsidiary companies contributing an average of approximately 2 percent of pre-tax profits in support of organizations that improve local and global quality of life.

In addition to providing financial support, SC Johnson also strongly encourages senior management to offer their time and expertise to local communities. General Managers from most of our subsidiary companies sit on local boards of major community nonprofit organizations. Also, employees regularly volunteer their own time, with company encouragement, to make a difference in their communities.

Giving back is a frame of mind at SC Johnson. There is a special kind of optimism at our company that drives our need to make a difference. That optimism has given us the strength to work for change in the most turbulent social and economic conditions. It has armed us with the discipline to act on our belief that companies can have a positive impact on communities around the world. And it has nourished a spirit of creativity and adventure, encouraging us to seek out opportunities that others might have ignored.

Being Accountable Through Words, Actions and Guidelines

At SC Johnson, we give back to the communities in which we live and operate because it's the right thing to do. But we make ourselves accountable for doing so. Each of our subsidiary companies has the following objectives:

- Demonstrate senior management leadership in the community through the General Manager holding at least one board-level membership with a major local community nonprofit organization.
- Increase charitable giving as a percent of pre-tax profits.
- Promote and coordinate at least one significant employee volunteer effort in the community each year.

SC JOHNSON CREATES SOCIAL VALUE THROUGH...

...Our people – through volunteer work and charitable giving, we believe each individual can make a difference in their local communities

...Our products – in times of crisis our donated products have helped millions of people around the world

...Our partnerships – whether it's partnering with local government, educational institutions or relief efforts, strong partnerships are key to being socially responsible

**For a video summary of recent SC Johnson
community leadership efforts around the world,
visit our online public report at www.scjohnson.com**



Creating Value When Help Is Needed Most

When the earthquake and tsunami hit in Asia in December 2004, one of the greatest dangers was that survivors would become victim to insect-borne diseases. As the number one marketer of insect repellents worldwide, SC Johnson was in a position to help – and our people throughout the region and the world responded immediately.

From Indonesia, to Malaysia, to the Philippines, to Thailand, donations of **Baygon**[®], **Raid**[®] and **Autan**[®] insect control products poured in and were quickly passed along to those in need. At the same time, employees from all over the world offered cash donations to relief efforts.

SC Johnson Chairman and CEO Fisk Johnson announced an immediate donation to the American Red Cross Tsunami and Earthquake Emergency Response Fund from the SC Johnson Fund, Inc. In addition, the company matched worldwide individual employee contributions to the Red Cross through January 2005.



SC Johnson Thailand donated thousands of **Ziploc**[®] brand bags to the tsunami relief effort.

Total worldwide contributions to tsunami relief efforts, including monetary and product donations from SC Johnson and its employees equaled more than \$500,000.

Many SC Johnson employees also donated their time and expertise to the efforts, including Techapeera Pornpun from SC Johnson Thailand. She helped set up an Internet database that allowed survivors to search for injured, missing or deceased friends and relatives. She joined other volunteers to input more than 4,873 records into the database. More than 100,000 visits were registered within the first three hours the database was posted online; by the end of January, the site was available in 11 languages and was providing information to people from countless countries.

“Some poor people walked into our room. Their faces looked so sad and this really affected me so much,” Pornpun said. “Listening to their story, carefully collecting a verbal explanation from them and putting it in our database immediately – that’s what I’m able to help with. If possible, I want them to find that their people are safe.”

“Wherever we operate, we are guided by the same basic principle that no matter how large or small we are within the community, we can and should make a difference.”

– Fisk Johnson, Chairman and CEO, SC Johnson

The Power of People

Communities and individuals around the world face an ever-growing number of challenges that hinder progress and weaken the spirit. The people of SC Johnson are doing their best to convert challenge into opportunity, to strengthen the promise of a better tomorrow through both financial support and volunteer labor.

- In Malaysia, our employees provide ongoing services for more than 80 children through Shelter Home, a community outreach program that provides homes for children rescued from poverty, neglect, abuse and abandonment. Food and provisions, clothes and toys are donated and delivered by SC Johnson Malaysia employees.

WORLDWIDE CORPORATE PHILANTHROPIC CONTRIBUTIONS

Dollars (U.S.) contributed in thousands (Includes SC Johnson Fund, Inc.)

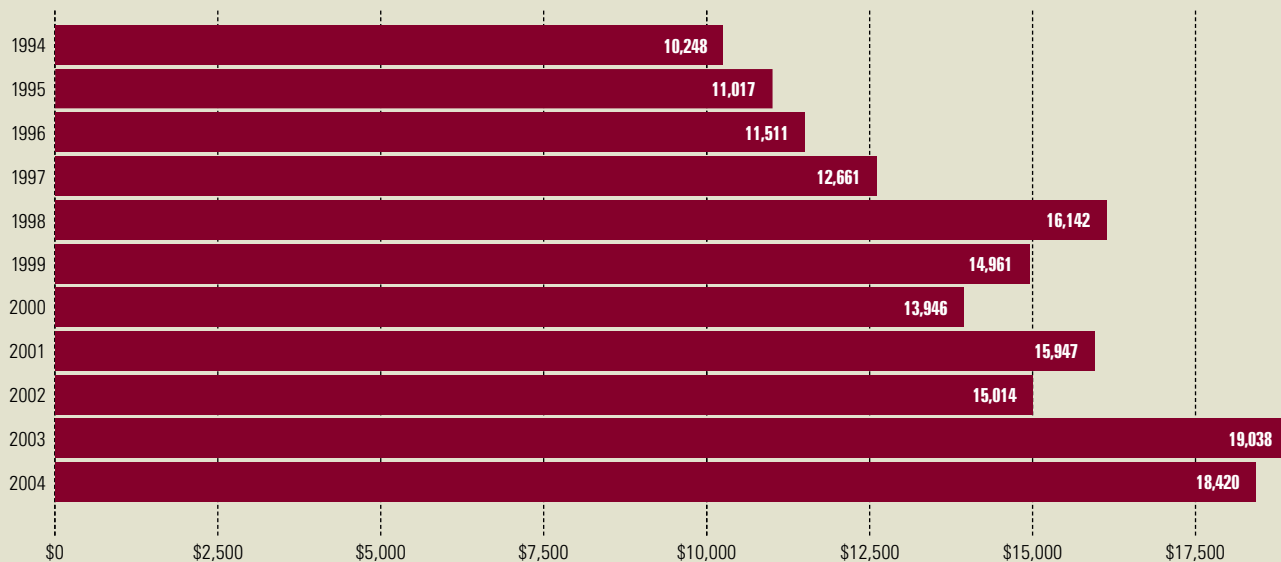
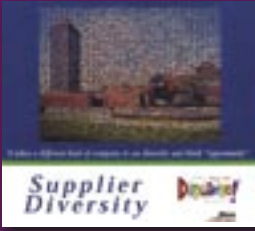


Chart includes contributions during the 2004 fiscal year. Donations made to tsunami relief efforts will be reflected in the 2006 Public Report.



Partnering with Minority- and Women-Owned Businesses

SC Johnson also creates social value by establishing partnerships with diverse vendors. Supplier diversity keeps our company competitive and in step with changing demographics. At the same time, by tracking partnerships with diverse suppliers and driving awareness of them within the company, we contribute to the suppliers' success and help these partnerships grow.

In the United States, SC Johnson has had a formal supplier diversity program for more than a decade, integrating diverse businesses into our supplier network while maintaining company standards for quality and service.

- In Racine, Wisconsin, at the company's global headquarters, the 2004 United Way Campaign raised more than \$750,000 from employees. That amount was doubled by the SC Johnson Fund, Inc. as part of our company's dollar-for-dollar matching program. Among the 138 non-profit organizations to benefit from the campaign are Big Brothers Big Sisters and the Taylor Home Gang Diversion Program.
- In Australia, our employees launched a new tradition by organizing their first annual Volunteering Day. Employees gardened for elderly local residents and community centers, painted park fences and planted native trees, and packed donated goods to give to the local United Way.
- In 2004, SC Johnson Greece visited the non-profit organization Child's Smile, which provides homes for children 18 and under who have family or economic problems. Employees donated presents, clothes, toys and books to the children.



SC Johnson Greece employees at a Child's Smile home.



SC Johnson Colombia's contribution included 10 computer tables and three computers with Internet access.

- In Ecuador, our local team provided the financial contribution to build two new classrooms at the local school in the city of Guayaquil. The contributions enabled 120 kindergarten-age children to begin school, starting them on a path of education and opportunity.
- In Colombia, desks and computers with Internet connections now serve a school south of Bogota. The equipment was housed in a new IT room donated by our local company, following last year's donation of a physics and chemistry laboratory used by 1,800 students.
- In Romania, to celebrate its 10th anniversary, our local company donated a portion of the revenue from one million products sold during July 2004 to buy books for school libraries across the country. We also helped Romania establish the United Way there in 2004.
- SC Johnson Philippines recently joined more than 70 other companies in support of the Department of Education's Adopt-a-School Program by providing assistance in upgrading and modernizing public schools. The company donated 1,000 cases of **Autan**® insect repellent to the Department of Education for distribution at 15 public schools in the Manila area.



About 29,000 students and teachers benefited from SC Johnson Philippines' donation of **Autan**® insect repellent.

- SC Johnson South Africa has made a commitment to help an under-resourced pre-school and orphanage for HIV/AIDS orphaned children in Pretoria, near the subsidiary company's factory. To expand and refurbish the existing building to accommodate more children, among other activities, SC Johnson employees assembled and painted playground equipment. They also collected curtains, food, toys and clothing. By September of 2004, 75 children, including 35 orphans, were able to attend the new pre-school.
- SC Johnson Hungary has partnered with a local kindergarten class to develop a recycling program that helps the environment and raises funds for the school.
- In Thailand, SC Johnson sponsored three projects of two universities' Student's Social Development Clubs, focusing on early-age child development in the rural area. The company, with Bangkok University, sponsored construction of a child development center, including a one-story school building that can accommodate kindergarten classes and a summer school program.
- In Costa Rica, the local team participated in a party for orphaned children at San Juan School, taught Junior Achievement courses and improved the area around the kindergarten by installing new playground equipment and digging ditches to prevent flooding.

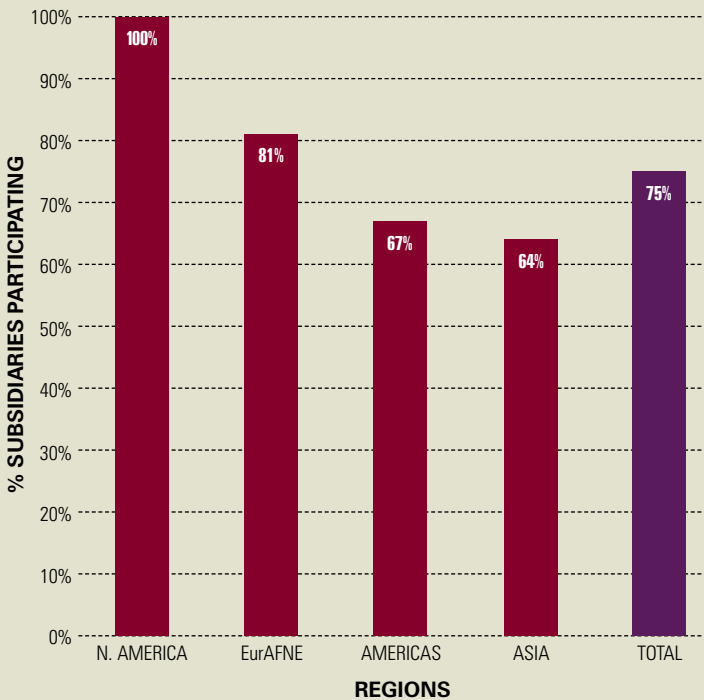


Employees in South Africa work together to support a pre-school and orphanage, including expanding and refurbishing the facility.

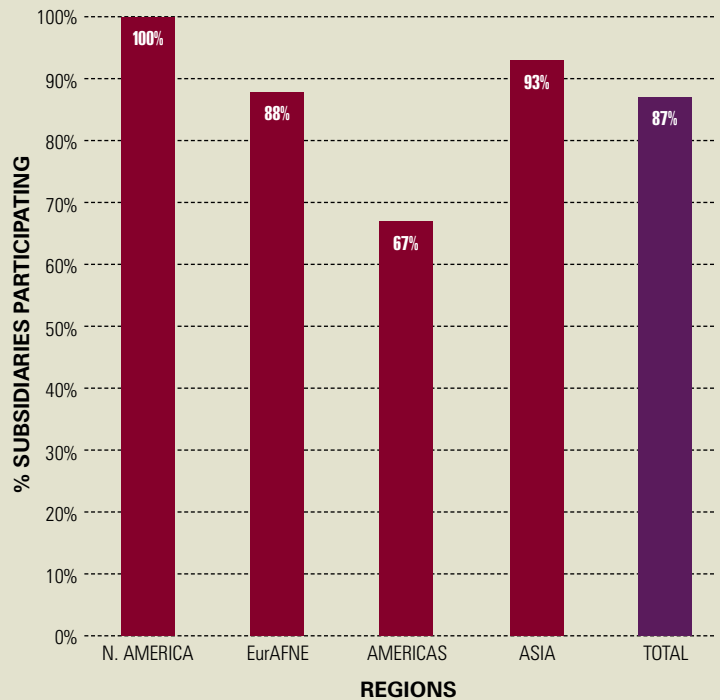


Twelve SC Johnson Thailand employees helped finish a school building.

**GENERAL MANAGER PARTICIPATION ON COMMUNITY BOARDS
FISCAL YEAR 2003/04**



**EMPLOYEE VOLUNTEERISM (OPERATIONS CONDUCTING EMPLOYEE
VOLUNTEER ACTIVITIES) FISCAL YEAR 2003/04**



Doing What's Right – for the Long Term

When political, social or economic unrest strikes, SC Johnson does what is right. We base our decisions on the next generation.

- SC Johnson chose to continue operating in **South Africa**, becoming one of the first signatories of the historic Sullivan Principles in the 1970s, where the company stood by its diverse workforce and championed the fight for the end to apartheid.
- In the **Ukraine**, the company was one of the first companies to establish operations and aid in the rebuilding of a fallen economy.
- In countries such as **Vietnam** and **China**, the company is setting new standards, providing workers with benefits and opportunities comparable to those of other more developed economies around the world.
- In **Argentina**, when many companies were closing or restructuring as a result of the recent economic and political crisis, SC Johnson continued operating without cutting jobs and voluntarily increased salaries.

Products Helping People

In addition to assisting through volunteerism and charitable giving, SC Johnson supports our communities and those in need through product donations. Thanks to the work of SC Johnson people around the world, our products are found in communities where need is great and resources are minimal. Here are just a few examples from 2004:

- In Vietnam's Ca Mau province, which has the greatest density of mosquitoes in the country, we donated 90,000 double coils of **Raid**® insecticide to protect local residents from mosquito-borne disease.
- In Ecuador, we provided cleaning supplies to Fundación Justo y Necesario Estrella de Solidaridad for low-income residents.
- In China, we donated cleaning products to the Shanghai Social Welfare Institute and Pudong Social Welfare Institute to improve living conditions at nursing homes and an orphanage.
- In Hong Kong, our donation of **OFF!**® insect repellents helped protect elderly residents of a neighborhood vulnerable to Japanese encephalitis.
- In cities and countries throughout the United States, from Florida to Missouri and New England to the Southwest, our product donations helped people recover from floods, hurricanes and tornadoes.

Public Service: Protecting People

Like malaria, dengue fever is an incredibly dangerous mosquito-borne disease and a major international public health concern. Some 2.5 billion people – two-fifths of the world's population – are now at risk from dengue. In fact, the World Health Organization currently estimates 50 million cases of dengue infection occur worldwide every year.

In countries around the world, SC Johnson works to educate consumers about dengue and arm them with the information and products to protect themselves. We have conducted outreach education and promotion through various programs over the years.

In Thailand...

The SC Johnson operation in Thailand mounted its largest-ever dengue campaign in 2004, aiming to educate the general public on strategies to minimize the spread of dengue and to increase awareness of our **Baygon**® insect control brand as the best defense.

The campaign, which was conducted in partnership with the Ayutthaya District Health Office, included rallies in the streets of five key districts, an essay contest with 25 schools, signs and posters, brochures, street performances, a concert, in-home demonstrations and a free mosquito spraying project.



These performers demonstrate the effectiveness of **Baygon**® insecticide.



Thailand's dengue campaign reached more than 10,000 people.

All told, more than 10,000 people participated in the events, which also gained substantial media coverage that helped spread SC Johnson's message of protection.

In the Philippines...

SC Johnson Philippines' 2004 public service program about dengue reached 162,047 households throughout the Philippines, becoming the largest, most recognizable public service program of any kind in the country. It also has made SC Johnson, **Baygon**® insecticides and **OFF!**® repellents synonymous with dengue prevention in the Philippines.

The program, known as the "Iwas Dengue" campaign, has a three-part strategy: People call in to report dengue outbreaks; Iwas Dengue team members respond by spraying and distributing product samples; follow-up educational materials are distributed. In 2004, SC Johnson reached out to its trade partners to further increase the scope and reach of the program.

Residents of approximately 250 communities directly benefited from our partnerships with 143 trade accounts. Our trade partners also benefited, gaining respect from consumers and retail outlets for their social responsibility in host communities. Beyond the new partnerships, SC Johnson intensified the educational campaign with caravans dispatched to provide education at public markets, health centers and even supermarkets across the country.

The company also entered discussions with the Philippine National Red Cross to study future partnerships in dengue prevention.

Historical Perspective

SC Johnson has a long history of social responsibility. Here are just a few milestone dates:

1921 – Herbert F. Johnson, Sr. founded a community fund in Racine to unite volunteer agencies and more effectively raise money for their services. It was the precursor to today's United Way of Racine County.

1959 – The SC Johnson Fund, Inc. was established to provide grants that support education, youth and family, including scholarships, community development, programs for disadvantaged families, and community enrichment such as environmental efforts.

1979 – After more than 40 years of doing so informally, SC Johnson set an official policy that the U.S. company will donate 5 percent of pre-tax profits to charitable causes.

2002 – At the World Economic Forum's annual meeting, then Chairman Fisk Johnson was a signator of *Global Corporate Citizenship: The Leadership Challenge for CEOs and Boards*, which recommended a "Framework for Action" leaders can use to implement principles and practices for managing a company's impact on society and its relationship with stakeholders.

2004 – SC Johnson participated in developing the groundbreaking Base of the Pyramid Protocol through which the private sector and local communities build economic, social and environmental value.

SC Johnson Fund, Inc. Grants

Through the SC Johnson Fund, Inc., the company contributes millions of dollars each year in the U.S.

	2001	2002	2003	2004
Community Development	\$3,246,091	\$3,401,169	\$3,403,104	\$1,420,016
Community Enrichment	\$1,681,517	\$586,238	\$1,138,850	\$1,259,300
Education, Family and Youth	\$1,705,046	\$4,807,640	\$3,577,220	\$5,381,019
Matching Grants	\$568,298	\$367,142	\$336,197	\$395,425
United Way	\$939,073	\$972,584	\$998,630	\$952,854
Total Grants and Contributions	\$8,140,025	\$10,134,773	\$9,533,251	\$9,454,114

W E V A L U E P E O P L E

and Being the Best Place to Work, for the Very Best People



At SC Johnson, we recognize that every great innovation, every marketplace success, every effort to create value depends on people. This core belief has been our driving advantage throughout the company's 119-year history.



Herbert F. Johnson, Sr.

A Great Place to Work

Year after year, SC Johnson creates value for its people and earns their continuing commitment by providing a great place to work. This past year, as in previous years, the company's dedication to being an employer of choice was recognized by numerous outside organizations, including the Great Place to Work® Institute, Hewitt Associates and others.

We also earned recognition as a top employer for working mothers, people with disabilities, Latinos and the gay/lesbian/bisexual and transgender workforce. Notably, SC Johnson has made its inaugural appearance in the top 10

of FORTUNE magazine's 100 Best Companies to Work For in America. The company ranked number seven on this year's list, a 16-place gain from last year's rank of 23rd.

"Being named a 'Great Place to Work' in countries like the United States, France, Argentina and South Africa is a testament to all the people at SC Johnson," says Chairman and CEO Fisk Johnson. "By working in partnership with each other, bringing fairness and respect to work every day, celebrating differences and truly enjoying the fun and friendship of being a family company, the people of SC Johnson make the company a success."

FORTUNE also recognized SC Johnson this year as number one for the most widely used day care services, number one for the

lowest employee turnover and tied for number two for the longest company-paid maternity leave among the 100 best companies.

The Rest is Shadow

The company's people-oriented culture is best understood by looking back through our history. In a profit sharing day speech delivered in 1927, Herbert F. Johnson, Sr., the second-generation company leader, shared this perspective that summarizes our commitment to people to this day:

"When all is said and done, this business is nothing but a symbol. And when we translate this, we find that it means a great many people think well of its products, and that a great multitude has faith in the integrity of the men who make this product."

"In a very short time, the machines that are now so lively will soon become obsolete. And the big buildings, for all their solidity, must some day be replaced."

"But a business which symbolizes can live so long as there are human beings alive. For it is not built of such flimsy materials as steel and concrete; it is built of human opinions, which may be made to live forever."

"The goodwill of the people is the only enduring thing in any business. It is the sole substance... the rest is shadow."

SC JOHNSON CREATES WORKPLACE VALUE THROUGH...

...Attracting and retaining the most talented people by providing a great place to work with competitive pay, benefits and opportunities

...Offering opportunities for people to grow and develop both personally and professionally, and feel a sense of pride in their association with the company

...Creating an environment in which people feel a sense of trust that is based on credibility, respect, fairness and camaraderie

Developing and Educating Employees

The dedication, ability and enthusiasm extended by SC Johnson's 12,000 employees every day do not go unnoticed. Performance and passion are rewarded with a commitment to creating opportunities to grow and prosper, both personally and professionally. In fact, professional development is a fundamental aspect of the company's commitment to its family of employees.

Employees enhance their personal and professional growth through programs that range from literacy training, to award-winning business communications, to company-funded study. Here's a glimpse of some of the ways we help employees grow in different parts of the world.

- Globally, the company publishes a magazine to all employees that includes business information and articles to increase understanding and insights. A recent edition focused on "25 Tips for Managing Your Performance."
- Our partnership with professors at Europe's INSEAD University produces an intensive two-week course that helps senior employees gain a global business perspective and development.

- In Argentina, an on-site initiative helped employees and their families achieve high school equivalency diplomas, enabling them to reach beyond their expectations for better futures.



Johnson Journal is SC Johnson's global employee magazine.



- In the United States, our LINK program is a unique educational partnership between SC Johnson and the local Gateway Technical College. LINK offers hundreds of on-site courses for academic credit to SC Johnson personnel at our largest manufacturing plant, which is located in Racine, Wisconsin.
- Our Online Performance and Learning (OPAL) tool is available to employees worldwide and offers more than 174 learning topics, all day, every day. The tool also offers training in another 39 competencies to help with continued professional development.
- The company's Johnson Learning Institute (JLI) provides formal training for employees through courses ranging from new employee orientation to management and leadership skill development. The group also partners with Marketing, Sales and Finance on global continuing education programs in those specialized areas. Plus, JLI will design and facilitate workshops and meetings, or consult with managers to develop programs that enhance team performance.

SC Johnson's LINK program has been recognized with numerous awards and cited as one of only a few U.S. programs with an accredited college campus at a worksite. About 15 percent of the local workforce is registered at any given time.



Historical Perspective

SC Johnson's legacy of being a great place to work stretches back to its very beginning. The company started paid vacations in 1900, launched profit sharing in 1917, established a pension plan in the depths of the Depression and began offering hospitalization coverage in 1939. That innovation and commitment to employees is never ending.

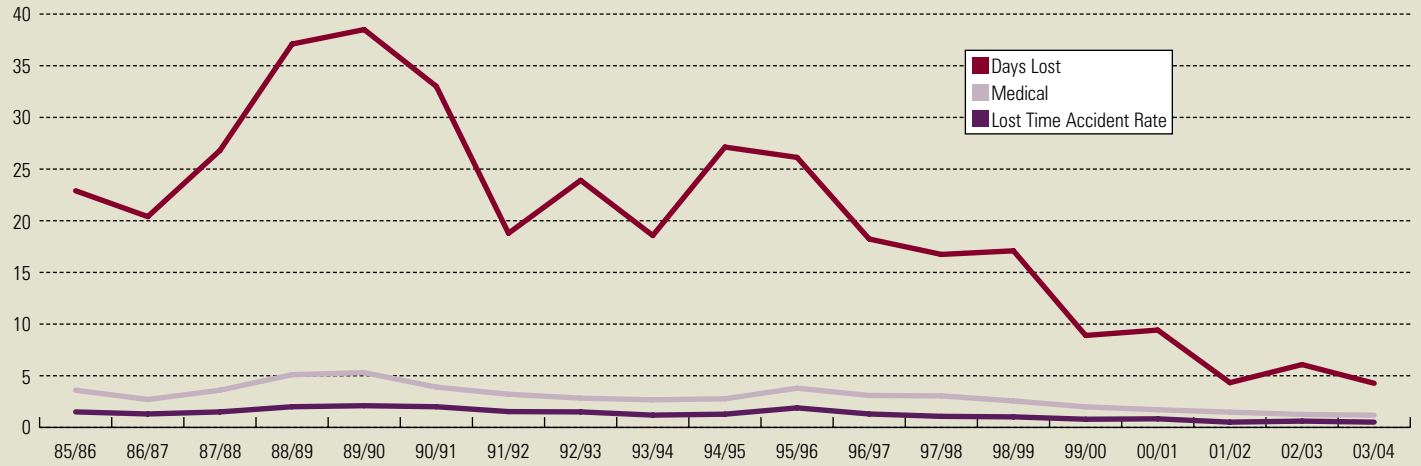
Ensuring Health and Safety

Protecting the health, safety and well-being of our employees is a top priority for us – no matter where our employees work. Global standards for our manufacturing facilities help ensure consistent and equivalent safety, health and environmental conditions for our people worldwide. Our commitment to maintaining high standards and sharing best practices globally helps us safeguard the people who work here and in surrounding communities.

Along with doing what is right for our people, SC Johnson will not employ children in its workforce, and we will terminate a supplier that does. We firmly expect our business partners to share this ethic and commitment.

WORLDWIDE SC JOHNSON SAFETY PERFORMANCE RECORD

Indexed to 200,000 hours of work time.



High-Performance Work Teams

In 2004, the skills training programs at our Toluca, Mexico, manufacturing plant ranged from workshops promoting factory leadership capabilities to the development of high-performance work teams.

The work team initiative was designed specifically for the employees of the Toluca plant to ensure a smooth transition and operational efficiency following our acquisition of the Bayer insecticide brands and the relocation of Bayer's product lines to the Toluca facility. As part of that relocation, new capacity was

constructed and extensive training was provided for our employees, enabling us to recruit and retain the highest-quality workers in the region, meet the exacting requirements of our customers and consumers, and achieve consistent compliance with all applicable safety, health and environmental requirements.

In 2004, 30 employees were promoted based on performance competency skills and the regional retention rate retained its four-year level of 100 percent.

Winning Recognition as a Great Place to Work

SC Johnson operations around the world continue to be recognized as "Best" workplaces. Here are just a few recent examples:

SC Johnson, United States, 7th among 100 Best Companies to Work For In America

SC Johnson, United States, Top 10 company for Working Mothers for second consecutive year

SCJ Argentina, 11th among 60 Best Companies to Work For

SCJ Canada, among 50 Best Companies to Work For, one of only two consumer products companies on the list

SCJ France, 1st among Great Places to Work in France

SCJ Germany, 4th among 100 Best Workplaces in Germany

SCJ Greece, 3rd among 10 Best Workplaces in Greece

SCJ Italy, 5th among Italy's Best Places to Work

SCJ France, Germany, Greece, Italy, among the 100 Best Places to Work in the European Union

SCJ Mexico, 4th among the Best Companies to Work For in Mexico

SCJ South Africa, among Best Companies to Work For in South Africa

SCJ United Kingdom, 51st among 100 Best Companies to Work For

"By working in partnership with each other, bringing fairness and respect to work every day, celebrating differences and truly enjoying the fun and friendship of being a family company, the people of SC Johnson make the company a success."

— Fisk Johnson, Chairman and CEO, SC Johnson

SC Johnson celebrated its number seven ranking on the FORTUNE magazine list of the 100 Best Companies to Work For in America. Chairman and CEO Fisk Johnson hosted a party in the Frank Lloyd Wright-designed "Great Workroom" on our headquarters campus in Racine, Wisconsin. Celebrations were also held in our other U.S. locations.



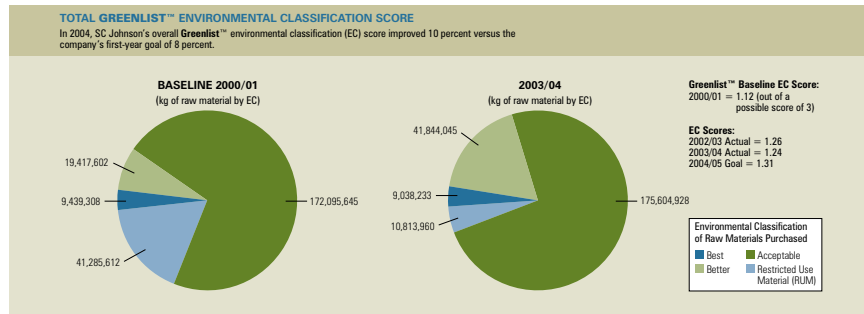
QUICK REFERENCE

SC Johnson Metrics 2004

SC Johnson is driving value in numerous ways around the world.

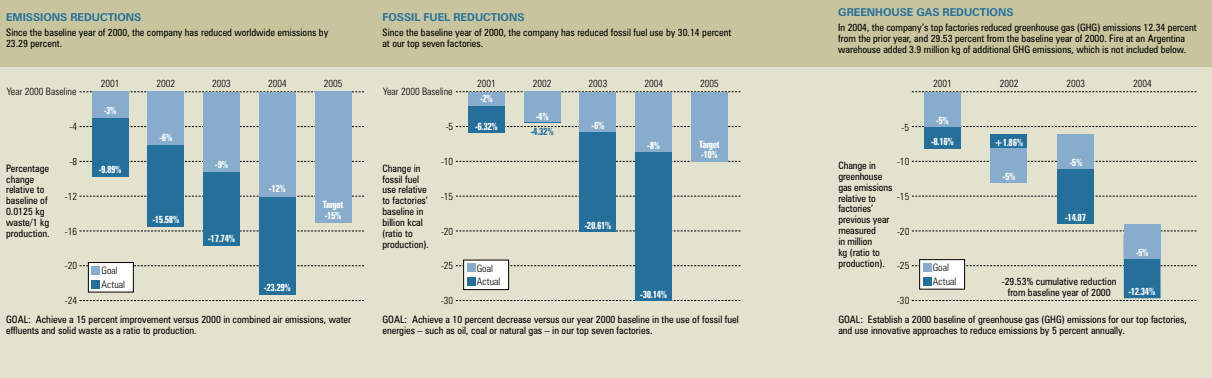
These charts summarize some of the strides we have made and the opportunities that remain.

To learn more, turn to the pages referenced.



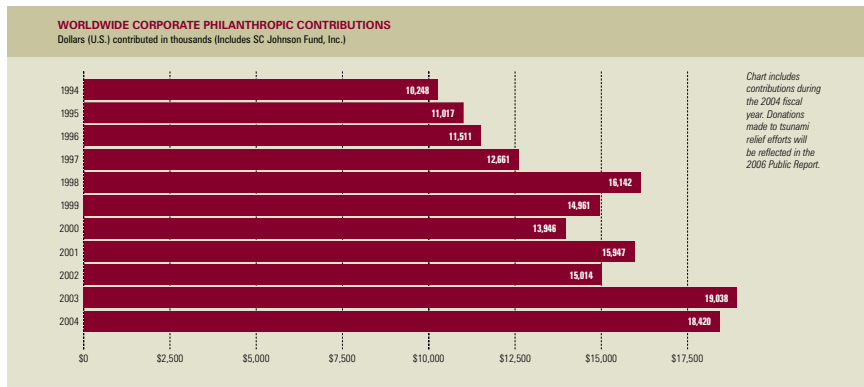
SC Johnson has increased the use of “Better” and “Best” materials since 2001.

PAGE 26



Reduction goals have been met and exceeded for emissions, fossil fuels and greenhouse gases.

PAGES 29 and 30

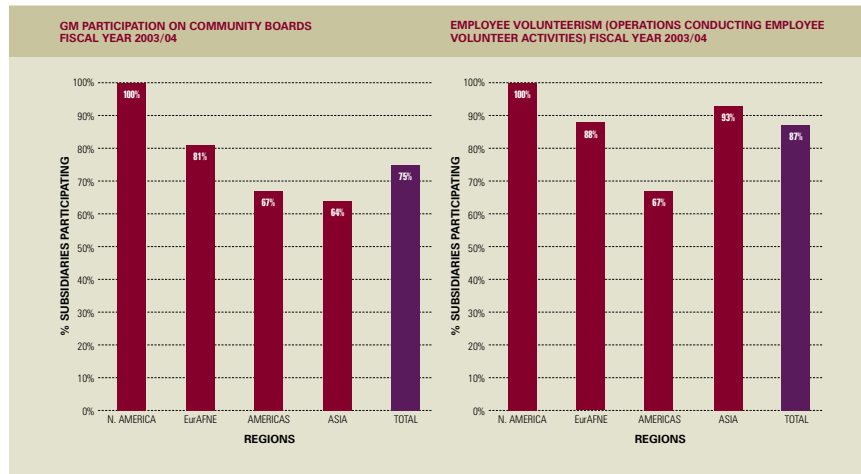


In 2004, SC Johnson contributed more than \$18 million to philanthropic efforts.

PAGE 36

75 percent of our General Managers worldwide and employees at 87 percent of our subsidiaries participate in community leadership and volunteer activities.

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The SC Johnson Fund, Inc. contributed more than \$9 million to philanthropic efforts in the U.S. in 2004.

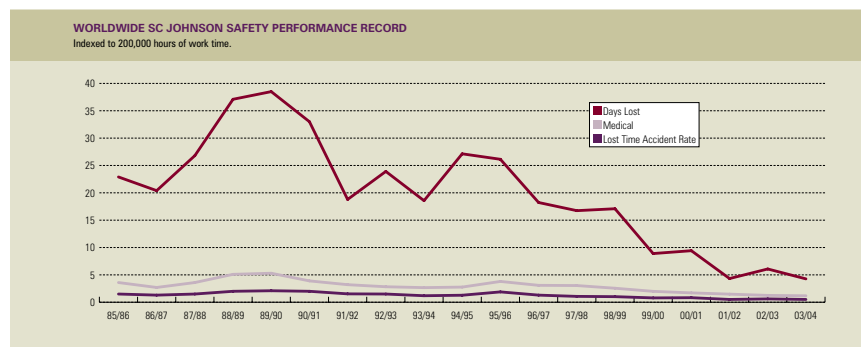
PAGE 40

SC Johnson Fund, Inc. Grants
Through the SC Johnson Fund, Inc., the company contributes millions of dollars each year in the U.S.

	2001	2002	2003	2004
Community Development	\$3,246,091	\$3,401,169	\$3,403,104	\$1,420,016
Community Enrichment	\$1,681,517	\$586,238	\$1,138,850	\$1,259,300
Education, Family and Youth	\$1,705,046	\$4,807,640	\$3,577,220	\$5,381,019
Matching Grants	\$568,298	\$367,142	\$336,197	\$395,425
United Way	\$939,073	\$972,584	\$998,630	\$952,854
Total Grants and Contributions	\$8,140,025	\$10,134,773	\$9,533,251	\$9,454,114

Global standards for SC Johnson manufacturing plants help ensure consistent safety, health and environmental conditions.

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Giving Back with Our Public Report

In an effort to offset the carbon emissions associated with the printing and distribution of its 2005 Public Report, SC Johnson is making a contribution to Conservation International (CI) to help protect threatened rain forests and support sustainable activities of local communities in northeastern Madagascar, the island country located off the coast of Southern Africa. The investment will help fund the Makira Forest Project which is managed by the Wildlife Conservation Society (WCS). This initiative was developed by WCS in partnership with the Government of Madagascar and CI to reduce the deforestation rate of Makira.

The island of Madagascar itself is classified by scientists as one of the most important biodiversity hotspots in the world. Last year, SC Johnson offset its 2004 Public Report, becoming the first global consumer packaged goods manufacturer to support the restoration of degraded forests in the Chocó-Manabí corridor of Ecuador, another biodiversity hotspot.





From using earth-responsible raw materials...



To reducing energy consumption and greenhouse gas emissions...



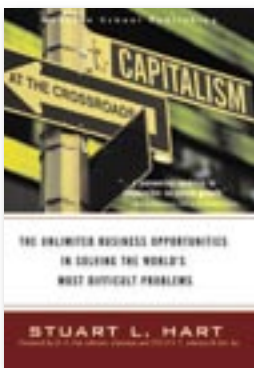
To working to eliminate insect-borne diseases...



To advancing social equity and public health...

Committed globally to sustainable development principles, SC Johnson is making the world a better place.

SC Johnson
A FAMILY COMPANY



Want to learn more about base of the pyramid strategy and how it generates value for all? SC Johnson is pleased to provide a complimentary copy of *Capitalism at the Crossroads* to the first 1,000 respondents. This book by Stuart L. Hart, Samuel C. Johnson Chair of Sustainable Global Enterprise and Professor of Management at Cornell University's Johnson Graduate School of Management, offers fascinating insights. We hope sharing it will help generate discussion about this important topic. Simply fill out the information below to request a copy of the book. Thank you for your interest.

Name: _____

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Learn more about SC Johnson and review our
online 2005 Public Report at www.scjohnson.com



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The 2005 SC Johnson Public Report aims to share experiences and insights related to sustainable development.

With this report, we hope to generate thinking, create dialogue and continue to promote responsible approaches and initiatives. When we first published a public report in the early 1990s, we were one of the first consumer packaged goods companies to report openly and extensively about its programs and policies. Today, doing so is standard practice globally.

To reduce paper consumption, this annual report is published electronically at www.scjohnson.com with a limited number of print copies provided to key partners, colleagues and associates. Within this report, you will discover the values this company was built on, and many examples of how we are continuing to create economic, environmental, social and employee value around the world.

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