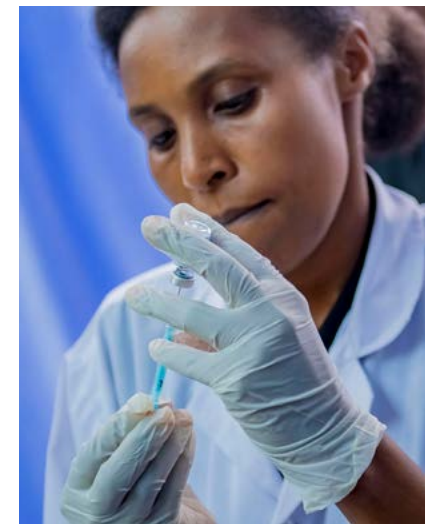


*Johnson & Johnson*

# 2019 Health for Humanity Report

Progress in Sustainability



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To read this Report online, visit [healthforhumanityreport.jnj.com](https://healthforhumanityreport.jnj.com)



UNICEF, the Government of Vietnam and Johnson & Johnson are partnering on a national program to train more than 500 ethnic minority midwives in remote regions to provide effective maternal and child health interventions including early essential newborn care in village clinics and homes.

*Photo by Paul Bettings*

## Front cover

Volunteers, frontline health workers and government officials at the launch of the Umurinzi vaccination program in Rwanda. In October 2019, Johnson & Johnson committed to donating up to 700,000 regimens of Janssen's investigational Ebola vaccine to support the Ebola outbreak response in Rwanda and the Democratic Republic of the Congo.

*Photos by Rwanda Ministry of Health*

# About Johnson & Johnson

## At-A-Glance

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-16

### Our Purpose

We blend heart, science and ingenuity to profoundly change the trajectory of health for humanity.

### Our Values

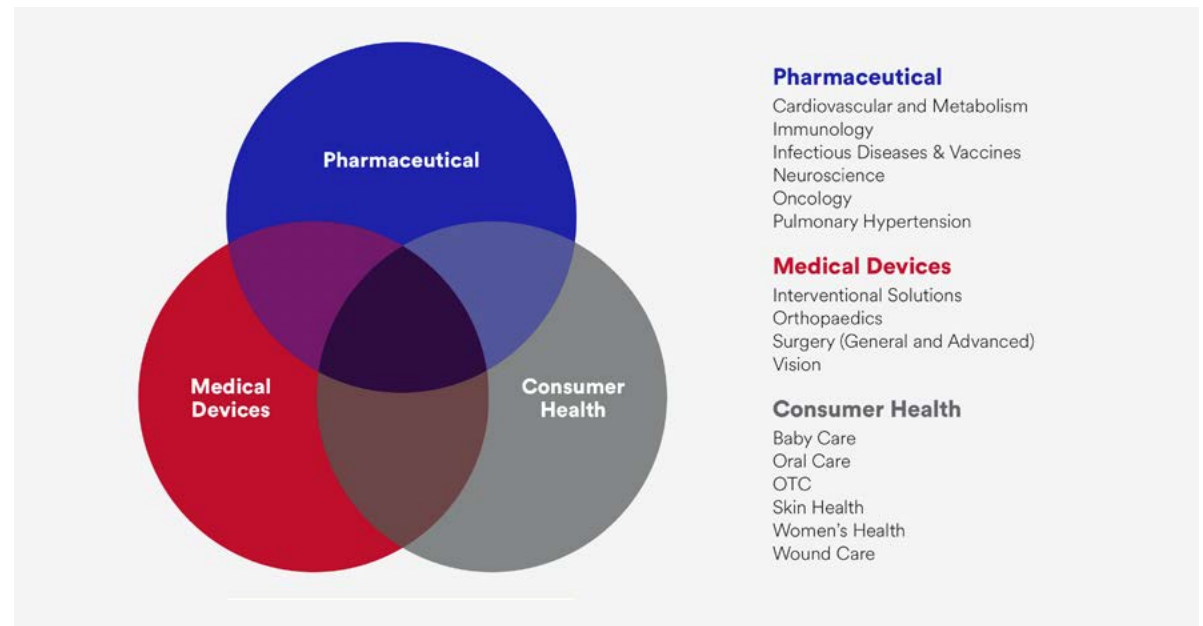
We are driven by **Our Credo**, a set of values and principles that challenges and inspires us to put the needs and wellbeing of the people we serve first.

### Our Operations

We operate 97 manufacturing facilities which are located in all major geographic regions of the world. Research facilities are located in the United States, Belgium, Brazil, China, France, Germany, India, Israel, the Netherlands, Poland, Singapore, Sweden, Switzerland and the United Kingdom, with additional R&D support in over 30 other countries.

Our global headquarters are in New Brunswick, New Jersey, USA. Johnson & Johnson has been listed on the New York Stock Exchange since 1944 under the symbol JNJ. For changes in our business during the reporting period, please visit page 79 of our **2019 Annual Report**.

### At Johnson & Johnson, we focus on the total health journey



## 2019 Financial Results

Employees	<b>137,701</b>
R&D investment	<b>\$11.4 billion</b>
Total sales	<b>\$82.1 billion</b>
Net earnings	<b>\$15.1 billion</b>
Market price per share, year-end close	<b>\$145.75</b>

### Sales by business segment:

Pharmaceutical	<b>\$42.2 billion</b>
Medical Devices	<b>\$26.0 billion</b>
Consumer Health	<b>\$13.9 billion</b>

## Celebrating 75 years of our IPO

On September 24, 1944, Johnson & Johnson was first listed as a publicly traded company on the New York Stock Exchange (NYSE). The Company was founded in 1886 and had already established itself as a successful business for almost 60 years. Taking it public created an opportunity for people to invest in a company with a vision of healthcare, expanding the frontiers of Johnson & Johnson geographically and scientifically, to deliver health and healing globally, propelled by significant breakthroughs in science, technology, and medicine.

The collective commitment and efforts of our global Johnson & Johnson colleagues throughout the decades have enabled great achievements and strong results, evidenced by:

- Impacting more than a billion lives every day;
- Increased dividends for the last 57 consecutive years;
- 36 consecutive years of adjusted operational earnings growth; and
- Our standing among Standard & Poor's Top 10 Market Cap companies.



The Executive Committee and Johnson & Johnson employees on the NYSE podium commemorating the 75th Anniversary of our IPO.

### History

In 1943, before taking Johnson & Johnson public, Robert Wood Johnson wrote Our Credo, putting in writing the Company's founding values so that they would continue to guide the organization in the future.

# Our Brands

Every day, we touch more than a billion lives with our products. Following are select brands that represent the diversity of the Johnson & Johnson product portfolio in our three business segments, spanning the broad continuum of healthcare.

## Pharmaceutical



## Medical Devices



## Consumer Health



# Message from Our Chairman and CEO

GRI 102-14

## Dear Johnson & Johnson Stakeholders,

2019 was a year of profound change and great contrasts around the globe.

We saw unprecedented innovation and encouraging progress toward meeting some of the world's most urgent health challenges—all while grappling with increased pressures on our healthcare systems, and sociopolitical upheaval that added complexity to coordination of public health efforts. By the end of 2019, while we were seeing only the first glimpses of the outbreak of the coronavirus disease (COVID-19), it was already evident just how necessary it was to mobilize resources on a global scale when combating outbreaks of infectious disease.



Alex Gorsky meeting with employees on his visit to Singapore in 2019

At Johnson & Johnson, the best way forward in meeting our commitments to transparency and sustainability—last year, this year, and for many years to come—remains crystal clear. Simply put, we are constantly taking stock of what we are doing to help keep people healthy so that they can thrive in healthy communities on a healthy planet and prioritizing those actions that will have the greatest impact.

We know this mission will always be unfinished, and that we will occasionally fall short. But that only serves as motivation to move faster than we've ever moved before in making bigger strides toward some of our most ambitious goals. And as we've detailed in this Report, we have plenty of positive momentum worth recognizing.

Key achievements included: victories in our work toward a world without disease, such as major strides in **preventing HIV and combating Ebola and TB**; acceleration of patient-centric innovation, like **new 3D-printed implants** designed to regenerate, rather than replace, diseased joints; and robust ongoing work to improve our communities, strengthen the **frontline health workforce** and safeguard the planet, including accelerating the **reduction of our carbon footprint** with four new contracts for renewably sourced electricity in Belgium, Ireland, Mexico and the Netherlands.

Importantly, we were able to do all of the above (and more) thanks to a culture of accountability, transparency and ethical behavior that, to me, make up the very definition of a healthy company.

As you'll see, this year's Report highlights areas where we've already achieved our Health for Humanity 2020 Goals and our UN Sustainable Development Goals commitments, as well as areas where we're redoubling our efforts. The most essential feature of public reports like this must always be to critically assess how we're doing—not just spotlight our greatest successes.

If 2019 taught me anything, it's that turbulent times require us to not just reaffirm but deepen our pledge to account for how we meet the long-term needs of patients, consumers, mothers and fathers, our communities, and our planet—a sentiment shared by more and more CEOs. Initiatives like last year's update of the Business Roundtable Statement on the Purpose of a Corporation, which we were honored to help steer, affirmed unequivocally that there is a fundamental connection between serving all stakeholders and generating sustainable, long-term value.

The demands for global healthcare and responsible corporate citizenship will only continue to increase, and meeting them will require us to not only operate with speed and agility, but with focus and determination. The start of this new year has already seen us launching a huge, multi-pronged and collaborative response to combat COVID-19, the details of which can be found at: [www.jnj.com/coronavirus](http://www.jnj.com/coronavirus).

I have many reasons to be optimistic that we can and will succeed in meeting our most critical commitments—more than 137,000 of them, in fact. That's the number of talented Johnson & Johnson employees around the world whose passion and dedication serve as the ultimate engine for change. I'm immensely proud to be sharing this journey with them, and confident that all of us will do whatever it takes to deliver on our Company's promises to our patients and consumers, our communities, and our world.

A handwritten signature in black ink, appearing to read 'Alex Gorsky'.

Alex Gorsky

Chairman, Board of Directors  
and Chief Executive Officer

# 2019 Year in Brief

## Better Health for All

**\$11.4 billion**  
invested in R&D

**105,000 patients**  
provided access to HIV treatment

**106,000 patients**  
provided access to MDR-TB treatment

**\$37 million**  
donated for disaster relief to support  
our communities

**75,000 health workers**  
educated in 54 countries



Continued our **fight against HIV and TB epidemics with an investment of \$500 million** dedicated to R&D and delivery programs

WHO\* recommended the **use of bedaquiline-containing treatment regimens for all pulmonary drug-resistant TB patients**

Launched the **first Phase 3 efficacy study of Janssen's investigational HIV preventative vaccine** with global partners

Supported **Ebola outbreak response** in Rwanda and Democratic Republic of Congo by committing to **donate up to 700,000 investigational vaccine courses**

Completed the **first-ever mental health clinical study in Rwanda** to help improve access to mental healthcare

Unveiled **new Center for Health Worker Innovation** to address global health worker shortage

Achieved **WHO\* prequalification for VERMOX CHEWABLE** (mebendazole chewable 500mg tablets) to treat intestinal worms in children and extended commitment to **donate up to 1 billion additional doses** through 2025

A child in Peru takes a VERMOX CHEWABLE tablet to treat intestinal worms, donated by Johnson & Johnson and implemented by INMED Partnerships for Children as part of a national mass drug administration.



## Responsible Business Practices

Launched the **J&J Innovation Champions** program offering **R&D scientists** a six-month secondment to an external innovation organization



Employees in our Seoul office participating in a group yoga class.

**15,000 employees** trained in the principles of **ENERGY FOR PERFORMANCE**



**43% of Manager and above talent movement** that was across function, country or business segment lines\*\*



**Ranked #1** on Gartner's 2019 Healthcare Supply Chain Top 25 list

**46% of management roles** held by women



**\$1.6 billion** spend with diverse suppliers



## Environmental Health



**30% of our electricity** is produced or procured from renewable energy sources



**32% reduction** in CO<sub>2</sub> emissions since 2010



© Norther wind farm off the coast of Belgium and the Netherlands provides renewable energy for our operations in both countries.

Signed **4 new power purchase agreements**, significantly advancing progress toward our 100% renewable electricity goal







Received **CDP Climate Change and Water Security A List** ratings for leadership in environmental transparency and performance



\* World Health Organization

\*\* Represents the proportion of employees in Manager and above job categories who in their career progression movement (including upward promotion, downward demotion, or lateral transfer) crossed function, country or business segment lines.

# Recognitions

 <p>Recognized by Forbes for the second consecutive year as a "Best Employer for Diversity."</p>	<p><b>Ranked #3 in the 2020 Antimicrobial Resistance Benchmark.</b></p>	 <p>Member of the Billion Dollar Roundtable for supplier diversity for the ninth consecutive year.</p>	<p><b>Named to CDP Climate Change and Water Security 2019 A Lists, and scored A- in CDP's Forest List.</b></p>	 <p>FTSE4Good Index Series constituent.</p>
<p><b>Achieved the TOP RANKING in Gartner Inc.'s 11th annual Healthcare Supply Chain Top 25 ranking, which recognizes companies across the healthcare value chain, and eighth position in Gartner's ranking of the top 25 large cap (&gt;\$12B) company supply chains, moving up 10 places to our highest-ever ranking.</b></p>		 <p>Ranked #1 on Working Mother magazine's annual list of the "100 Best Companies."</p>	<p><b>Scored 90% in DisabilityIN's 2019 Disability Equality Index for the second consecutive year.</b></p>	
 <p>Received the EPA SmartWay Excellence Award for the sixth year. This award recognizes companies that are leaders in increasing energy efficiency while decreasing greenhouse gas emissions.</p>	<p><b>Honored with CSR Health Impact's Swasth Bharat award in recognition of Janssen India's transformative work to address the growing challenge of multidrug-resistant tuberculosis (MDR-TB).</b></p>		<p><b>Named among the Top 100 Companies in Equileap's 2019 Gender Equality Global Report and Ranking, which recognizes the leading companies globally making progress toward gender equality in the workplace.</b></p>	
<p><b>Named as the Operational Fleet Superstar at the inaugural Great British Fleet Awards for Johnson &amp; Johnson UK's Safe Fleet team's Caring About People program.</b></p>	<p>Named to Fortune's list of the World's Most Admired Companies for the 17th year, ranking in the top 20. Johnson &amp; Johnson was also placed #1 in the pharmaceutical category worldwide for the sixth consecutive year.</p>	<p><b>Inducted into DiversityInc's prestigious Top 50 Hall of Fame, one of six companies included to date, after ranking #1 in DiversityInc's 2018 Top 50 Ranking.</b></p>	 <p>Included in the Human Rights Campaign Foundation's list as a Best Place to Work for LGBTQ Equality for the 15th consecutive year, scoring 100% percent on the 2020 Corporate Equality Index (CEI), which measures corporate policies and practices related to LGBTQ workplace equality.</p>	
<p><b>Named to the JUST Capital top 100 ranking in 2019, for the second year, ranking seventh of 43 pharmaceutical and biotech companies.</b></p>	<p><b>Recognized for our commitment to R&amp;D that helps people with mental illness, and for our longstanding support of the Mental Health Association in New Jersey (MHANJ).</b></p>		<p>Ranked #11 in the 2019 Workforce 100 – the world's top companies for Human Resources Management.</p>	<p><b>Named to the global #LinkedIn Top Companies 2019 as one of the world's most sought-after employers. Johnson &amp; Johnson was the only healthcare company to be featured in the U.S. list.</b></p>
<p>Recognized by the American Heart Association at Gold Level for workplace health programs and culture of health best practices.</p>				



# Our Approach

## Health for Humanity Strategy & Progress

As the world's largest healthcare company, Johnson & Johnson has a unique ability to apply its expertise and partnering power to solve some of the most difficult global health challenges. We are advancing a world where healthy people thrive in healthy communities on a healthy planet, and having a healthy company helps us get there.

We focus our sustainability efforts where we believe our Company can achieve the greatest impact. Our Health for Humanity 2020 Goals are aligned with Johnson & Johnson's purpose and reflect the areas where our stakeholders expect us to lead.

The Sustainable Development Goals (SDGs) are a global framework for progress toward a more sustainable future. In trying to determine the ways in which Johnson & Johnson can contribute to the global community to create a healthier, more equitable world, we developed a clear, pragmatic process for building a commitment to accelerate the SDGs that reflects our unique constellation of strengths.



Scientists reviewing cell samples in the Analytical Development lab at Janssen Sciences Ireland in Cork, Ireland.

# Health for Humanity 2020 Goals Progress Scorecard

The following Scorecard provides an update on progress we have made against our 2020 Goals.

- + **Exceeded**
- ✓ **Achieved**
- ✓ **On track:** expected to meet the Goal by 2020
- 🕒 **In progress:** so far progressing more slowly than expected; plans are in place to meet the Goal by 2020
- **Off track:** not progressing as expected; currently at risk of not meeting the Goal by 2020

GOAL	2020 TARGET	PROGRESS MADE IN 2016-2019†	NOTABLE	STATUS
1. Develop and deliver innovative, life-changing solutions to address the world's major health challenges.	Expand the database, documenting the effectiveness, efficacy and safety profile of SIRTURO (bedaquiline) through collaborative efforts to further increase access.	Data from the expanded patient database allowed for publication on effectiveness, efficacy and safety of SIRTURO in two peer-reviewed journals in 2018.	We achieved this target in 2018.	<span style="color: green;">✓</span> <b>Achieved</b>
	Collaborate on Phase 3 trials and make regulatory submissions for rilpivirine long-acting (LA), the first all-injectable depot regimen for HIV.	Regulatory submissions were made: <ul style="list-style-type: none"> <li>• One submission to the U.S. Food and Drug Administration (FDA) by ViiV Healthcare for ViiV's cabotegravir LA together with Janssen's rilpivirine LA.</li> <li>• Two parallel submissions to the European Medicines Agency—one for rilpivirine LA by Janssen and one for cabotegravir LA by ViiV Healthcare.</li> </ul>		<span style="color: green;">✓</span> <b>Achieved</b>
2. Deliver innovative healthcare access and training programs that impact a billion lives in underserved areas.*	Produce and donate 1 billion doses of VERMOX (mebendazole) to treat >100 million children per year at risk for intestinal worms.	0.8 billion doses of VERMOX donated in 42 countries with 415 million children having been targeted for treatment.	Cumulatively 1.6 billion doses of VERMOX donated since 2006.	<span style="color: green;">✓</span> <b>On track</b>

\* "Underserved" refers to populations that are disadvantaged because of ability to pay, ability to access care, ability to access comprehensive healthcare, or other disparities for reasons of race, religion, language group or social status.

† Progress against our Health for Humanity 2020 Goals, and associated data have been assured by ERM CVS. See [independent assurance statements by ERM CVS](#).

GOAL	2020 TARGET	PROGRESS MADE IN 2016-2019†	NOTABLE	STATUS
HEALTH FOR HUMANITY GOALS	Deliver HIV/AIDS therapy access to a cumulative 130,000 adults and 5,000 children.	104,000 adult patients and over 700 pediatric patients received access to HIV/AIDS therapy with the branded and generic versions of PREZISTA (darunavir), INTELENCE (etravirine) and EDURANT (rilpivirine).*	<ul style="list-style-type: none"> <li>The estimates of the number of patients receiving access are based on the best available therapy access models developed by our Global Public Health team leveraging published epidemiologic and population data.</li> <li>Healthcare systems in resource-limited settings face considerable challenges in identifying and treating HIV in pediatric and adolescent patients, including lack of laboratory testing and limited technical capacity for switching patients to suitable antiretroviral regimens. Several activities we planned for 2020 will help address these challenges and potentially increase the number of pediatric and adolescent patients we will reach.</li> </ul>	In progress
	Deliver access to MDR-TB therapy to a cumulative 200,000 patients, potentially curing** 157,000 people*** with MDR-TB of the disease.	182,000 patients received access to MDR-TB therapy with SIRTURO (bedaquiline). For 37,000 patients provided access in 2016 and 2017, an estimated 32,000 patients*** have been potentially cured based on the 87.8% cure rate.**	More patients can now benefit from SIRTURO: in 2019, the World Health Organization recommended the use of bedaquiline-containing treatment regimens for all pulmonary drug-resistant TB patients, and we received FDA approval to extend the indication for SIRTURO as part of combination therapy for eligible MDR-TB patients to include adolescents 12 to 18 years of age in the United States.	On track
	Together with partners, train 30,000 skilled birth attendants to assist 6 million births.	Together with partners, trained 74,000 birth attendants, who assisted in 6 million births.		Exceeded
	Support the delivery of 6 million eye care screenings to underserved children and corrective treatments (spectacles) as needed to 100,000 underserved children.	In partnership with Lions Club International, supported delivery of 12 million eye care screenings and corrective treatments (spectacles) to 120,000 underserved children.	Progress in 2019 is estimated based on delivery of eye screenings and corrective treatments (spectacles) in 2018. Actual 2019 data is available after our report data collection cut-off date.	Achieved

\* We revised our calculation methodology to increase accuracy and now report on a 12-month rolling average, which includes a 1.25% wastage and a 75% adherence factor.

\*\* The cure rate is 87.8% for patients treated with bedaquiline-containing regimens, based on *The Lancet Respiratory Medicine*, Volume 392, September 2018, Pages 821-834.

\*\*\* As communicated through the product label, SIRTURO is taken for six months as part of a combination therapy with multiple other drugs; in total, a patient often requires up to two years of treatment to be cured.

† Progress against our Health for Humanity 2020 Goals, and associated data have been assured by ERM CVS. See [independent assurance statements by ERM CVS](#).

GOAL	2020 TARGET	PROGRESS MADE IN 2016-2019‡	NOTABLE	STATUS
3. Collaborate with government, nonprofit and private sector to foster new models of health that improve economic wellbeing and healthcare in key emerging markets.	Activate signature partnerships/ initiatives for five of our largest Consumer Health brands to promote the health and wellbeing of people in need around the world.	BAND-AID® Brand Adhesive Bandages activated the partnership with (RED) to help fund a diverse range of lifesaving HIV/AIDS programs across eight countries in sub-Saharan Africa. In prior years we activated partnerships with JOHNSON'S, LISTERINE, and STAYFREE.		✓ On track
	Drive policy thought leadership and strategic engagements to expand healthcare access and coverage in at least three emerging markets (including Brazil, China and India), and lead three to five pilots to demonstrate the results of these efforts.	<ul style="list-style-type: none"> <li>More than 800 engagements conducted with government officials and other partners in Brazil, China, Malaysia, Mexico, Russia and Rwanda in 2019.</li> <li>Existing pilot projects to expand healthcare access and coverage in Brazil, China, Colombia, Indonesia, Mexico, Philippines, Russia and Rwanda are ongoing.</li> <li>Two new pilots launched: a private health insurance project in Malaysia to expand access to innovative medicines and premium surgical products; and a project in China to improve the case finding and diagnosis of TB, including drug-resistant TB.</li> </ul>		✓ On track
4. Fully integrate sustainable design solutions into our product innovation processes.	New and existing products representing 20% of Johnson & Johnson revenue achieve EARTHWARDS recognition for sustainable innovation improvements.	New and existing products representing 22% of Johnson & Johnson revenue achieved EARTHWARDS recognition.*		+ Exceeded

\* Based on availability of data, the percentage includes revenue from certain products recognized in the current reporting year. This is a change in methodology compared to prior years where the percentage excluded revenue from products recognized in the reporting year.

‡ Progress against our Health for Humanity 2020 Goals, and associated data have been assured by ERM CVS. See [independent assurance statements by ERM CVS](#).

GOAL	2020 TARGET	PROGRESS MADE IN 2016-2019‡	NOTABLE	STATUS
	Increase the recyclability of our Consumer Health product packaging to 90+% (on a weight basis) via design and partnerships in five key markets where mature recycling infrastructure exists (Canada, France, Germany, UK and U.S).* In three other markets where recycling infrastructure is less mature engage in partnerships to advance material recovery and recycling efforts.	<p>Continued partnerships with two co-ops in Brazil and one in India to advance material recovery and recycling efforts.</p> <p>Concluded the partnership in Vietnam focused on ocean plastics through Consumer Goods Forum and Trash Free Seas Alliance.</p>	<p>The main focus in 2019 was to advance our inclusive recycling model in Brazil by:</p> <ul style="list-style-type: none"> <li>collaborating with other companies through the Inclusive Waste Recycling Consortium (iWrc)</li> <li>identifying additional co-ops to expand the network of co-ops that have been socially fingerprinted**</li> <li>initiating development of a digital marketplace to help provide traceability of recycled materials recovered by socially fingerprinted** co-ops as they move through the system</li> </ul>	On track
5. Reduce our impacts on climate and water resources.	Reduce absolute carbon emissions 20% by 2020, and 80% by 2050.	CO <sub>2</sub> emissions decreased by 32% globally since 2010 (Scope 1 and Scope 2).		Achieved
	Produce/procure 35% of electricity from renewable sources by 2020; aspire to power all facilities with renewable energy by 2050.	30% of our electricity is produced or procured from renewable energy sources.		On track
	Conduct a comprehensive water risk assessment at 100% of manufacturing/R&D locations and implement resource protection plans at the high-risk sites.	<p>We completed the comprehensive water risk assessment at 100% of manufacturing/R&amp;D locations in 2019.</p> <p>By the end of 2019, 100% of all high-risk sites identified developed mitigation plans and budgeted for their implementation in 2020; 35% of these have already completed their mitigation plans.</p>	Newly acquired sites are assessed within three full calendar years post-acquisition.	On track

\* In 2018 **Johnson & Johnson Consumer Inc.** signed the New Plastics Economy Global Commitment. By joining this global multistakeholder initiative, we set a new ambitious 2025 plastics packaging commitment, which supersedes our 2020 target. Progress against the new 2025 commitment is being reported in this [section](#) of the Health for Humanity Report. We will continue reporting our progress on helping advance material recovery and recycling efforts in less mature markets in this Scorecard.

\*\* Social fingerprinting is a standardized process developed by Social Accountability International to measure and improve an organization's social performance. See more information [here](#).

‡ Progress against our Health for Humanity 2020 Goals, and associated data have been assured by ERM CVS. See [independent assurance statements by ERM CVS](#).

GOAL	2020 TARGET	PROGRESS MADE IN 2016-2019†	NOTABLE	STATUS
6. Collaborate with our suppliers to accelerate environmental and social improvements across the value chain.	Enroll suppliers covering 80% of our spend* in our Sustainable Procurement Program.	Enrolled suppliers covering approximately 71% of spend** in our Sustainable Procurement Program.		✓ On track
	Consistently achieve benchmark spending with U.S. diverse suppliers and small suppliers, and double the number of countries with established supplier diversity and inclusion programs.***	<ul style="list-style-type: none"> <li>Exceeded benchmark diverse supplier spending at 11% and benchmark small supplier spending at 18% of total U.S. spend.</li> <li>Expanded our supplier diversity and inclusion programs to three additional countries (France, Indonesia and Singapore) for a total of 16 countries against the baseline of six.</li> </ul>	The 16 countries outside the United States where we have started diverse supplier tracking are: Australia, Belgium, Brazil, Canada, China, Colombia, France, Germany, Indonesia, Japan, Mexico, Singapore, South Africa, Spain, Switzerland and UK.	✓ On track
7. Empower and engage the Johnson & Johnson family of employees to become the healthiest workforce.	Empower and engage employees toward a “personal best” in health and wellbeing via: training of at least 100,000 employees in the principles of ENERGY FOR PERFORMANCE;**** connecting at least 100,000 employees to their health via innovative digital health tools; and providing access to at least 100,000 employees to both fully implemented***** healthy eating and fully implemented healthy movement cultures.	<ul style="list-style-type: none"> <li>65,000 employees completed ENERGY FOR PERFORMANCE training.</li> <li>112,000 employees engaged in health and wellbeing via the use of digital health tools since 2016.</li> <li>120,000 and 113,000 employees provided access to 85% implemented healthy eating and healthy movement cultures, respectively.</li> </ul>	93,000 employees have completed the principles of ENERGY FOR PERFORMANCE training since the start of the program, representing 93% progress against our 2020 target of training 100,000 employees.**** We achieved our goal to connect at least 100,000 employees to their health via innovative digital health tools by 2020.	✓ On track

\* Based on spend data from prior calendar year.

\*\* Based on spend data from 2018.

\*\*\* Total spend represents addressable spend, i.e., products and services that procurement teams can negotiate with suppliers to meet business goals.

\*\*\*\* We count our 28,000 active employees who completed ENERGY FOR PERFORMANCE training prior to January 1, 2016, toward progress against this target.

\*\*\*\*\* Defined as 100% implementation of policies, programs and practices for both healthy eating and healthy movement.

† Progress against our Health for Humanity 2020 Goals, and associated data have been assured by ERM CVS. See [independent assurance statements by ERM CVS](#).

# UN Sustainable Development Goals Commitment Progress Scorecard

The **Sustainable Development Goals** (SDGs) are a global framework for progress toward a more sustainable future. In trying to determine the unique impact Johnson & Johnson would contribute to the global community to create a healthier, more equitable world, we developed a clear, pragmatic process to create a commitment to accelerate the SDGs that reflects our unique constellation of strengths. The Company's commitment is focused in five areas in which Johnson & Johnson is positioned to create sustainable and scalable impact: health workforce, women's and children's health, essential surgery, global disease challenges, and environmental health.



We aim to mobilize and inspire employees, consumers, communities, and our global network to improve health globally. While we aim to achieve outcomes in all of the Company's work, the identified targets for the SDG commitment are reflective of the Company's reach—individuals whose lives may benefit from our combined efforts with our partners. To that end, we developed a measurement-reporting framework that involves the annual tracking of progress toward focus area targets, ensuring accountability of our work. The Company's SDG commitment focuses on SDGs 3, 5 and 17. [Learn more here.](#)

- + **Exceeded**
- ✓ **Achieved**
- ✔ **On track:** expected to meet the Goal by 2020
- 🕒 **In progress:** so far progressing more slowly than expected; plans are in place to meet the Goal by 2020
- **Off track:** not progressing as expected; currently at risk of not meeting the Goal by 2020





ASPIRATION	5-YEAR TARGET (2016-2020)	PROGRESS FOR 2016-2019† implementation years	NOTABLE
<b>1. Health Workforce:</b> A world where the current and future healthcare workforce has the necessary competencies to deliver high-quality healthcare.	650,000 health workers will have received training to better deliver quality healthcare.	469,000 healthcare providers (72% of overall goal achieved) <span style="color: orange;">🕒 In progress</span>	Programs and partners — including a Mental Health Remote Training System in Rwanda and Medical Affairs training courses, as well as UNICEF, Save the Children, NurseConnect, Duke — Johnson & Johnson Nurse Leadership Program and Project Hope — focused on strengthening primary and community-based health systems by supporting effective, innovative and scalable interventions to ensure that nurses, midwives and community health workers are competent, confident, resilient, connected and respected.  <a href="#">Learn more</a>

† Progress against UN SDG commitment, and associated data have been assured by ERM CVS. See [independent assurance statements by ERM CVS](#).

ASPIRATION	5-YEAR TARGET (2016-2020)	PROGRESS FOR 2016-2019† Implementation years	NOTABLE
<p><b>2. Women's &amp; Children's Health:</b> A world where every woman and child survives and has the opportunity for a healthy future.</p>	<p>60 million women and children will have received support and tools to enable a healthy future.</p>	<p>40.6 million women and children (68% of overall goal achieved)</p> <p> <b>Off track</b></p>	<p>This five-year target is predominantly supported by Johnson &amp; Johnson Foundation grants facilitated by the Global Community Impact organization. We are reporting the target as off track due to a shift in our strategy in 2019 which transitions from programs reaching consumer groups directly to programs targeting frontline health workers (i.e., nurses, midwives, and community health workers). We believe this transition will have greater, more far-reaching and sustainable impact on women's and children's lives in the longer term. The COVID-19 pandemic has underscored the critical needs facing our frontline health workers and their unique ability to address the healthcare needs of our society, and in particular, the underserved. <b>Our new commitment</b> acknowledges the pivotal role that health workers play in providing essential services to these groups. As such, the programming and tracking toward the original goal are transitioning, with fewer programs directly reaching women and children and more programs reaching the health workers who serve them.</p> <p>Even with this transition, by the end of the five-year goal period we estimate that we will have reached nearly 50 million women and children with support and tools to enable a healthy future (or over 80% of the overall target).</p> <p>We are proud to share that within our Global Disease Challenges goal, our VERMOX (mebendazole) Donation Program has improved the health of hundreds of millions of children. Those targets are reported separately.</p> <p><a href="#">Learn more</a></p>
<p><b>3. Essential Surgery:</b> A world where safe, essential and timely surgical care can be accessed by all to save lives, prevent disability, promote economic growth, and reduce social marginalization.</p>	<p>50 million people will have had access to safe, essential and timely surgical care.</p>	<p>56.2 million beneficiaries (112% of overall goal achieved)</p> <p> <b>Exceeded</b></p>	<p>Over the past four years, the <b>Medical and Surgical Skills Institute</b> trained more than 30,000 healthcare professionals from 10 countries in West Africa. It is estimated that these trained individuals will serve over 56 million patients.</p> <p><a href="#">Learn more</a></p>

† Progress against UN SDG commitment, and associated data have been assured by ERM CVS. See [independent assurance statements by ERM CVS](#).



ASPIRATION	5-YEAR TARGET (2016-2020)	PROGRESS FOR 2016-2019† Implementation years	NOTABLE																														
<p><b>4. Global Disease</b>  <b>Challenges:</b> A world where innovations and holistic health solutions prevent, control and eliminate global disease challenges and epidemics.</p>	<p>175 million individuals will have benefited from Johnson &amp; Johnson solutions that prevent, control and eliminate global diseases.</p>	<p>417 million beneficiaries (238% of overall goal achieved)</p> <p> <b>Exceeded</b></p>	<p>Johnson &amp; Johnson’s VERMOX Donation Program was the primary driver for exceeding this goal early, with an estimated 415 million school-aged children in 42 countries having received VERMOX treatments.</p> <ul style="list-style-type: none"> <li>An estimated 104,000 adult patients and over 700 child patients received access to HIV/AIDS therapy.</li> <li>Since 2016, we enabled access to SIRTURO (bedaquiline) in 138 countries, including all 30 high MDR-TB burden countries, and delivered access to 182,000 patients.</li> </ul> <p><a href="#">Learn More</a></p>																														
<p><b>5. Environmental Health:</b> A world where all people have healthy places to live, work and play.</p>	<p>60 million citizens living across 30 cities will have benefited from climate and air quality actions that have the potential to positively impact public health.</p>	<p>43.3 million citizens impacted through 2019</p> <p>30 cities in the program have been trained, and have committed to implementing at least one climate action relating to air quality improvements and health co-benefits.</p> <ul style="list-style-type: none"> <li>14 cities have already significantly implemented actions: Barcelona, Buenos Aires, Chennai, Dar es Salaam, Dubai, Durban, Karachi, Medellin, Paris, Quezon City, Quito, Salvador, Toronto and Venice.</li> <li>Johnson &amp; Johnson continues to fund a city advisor for Los Angeles in its role as a “demonstrator” city undertaking multiple climate actions.</li> </ul> <p> <b>On track</b></p>	<p>Cities:</p> <table border="0"> <tr> <td>Amman, Jordan</td> <td>Karachi, Pakistan</td> </tr> <tr> <td>Athens, Greece</td> <td>Lima, Peru</td> </tr> <tr> <td>Auckland, New Zealand</td> <td>Los Angeles, USA</td> </tr> <tr> <td>Barcelona, Spain</td> <td>Medellin, Colombia</td> </tr> <tr> <td>Buenos Aires, Argentina</td> <td>Mexico City, Mexico</td> </tr> <tr> <td>Chengdu, China</td> <td>Nairobi, Kenya</td> </tr> <tr> <td>Chennai, India</td> <td>Paris, France</td> </tr> <tr> <td>Dar es Salaam, Tanzania</td> <td>Quezon City, Philippines</td> </tr> <tr> <td>Dubai, UAE</td> <td>Quito, Ecuador</td> </tr> <tr> <td>Durban, South Africa</td> <td>Rio de Janeiro, Brazil</td> </tr> <tr> <td>Hanoi, Vietnam</td> <td>Salvador, El Salvador</td> </tr> <tr> <td>Ho Chi Minh City, Vietnam</td> <td>Santiago, Chile</td> </tr> <tr> <td>Istanbul, Turkey</td> <td>Toronto, Canada</td> </tr> <tr> <td>Jakarta, Indonesia</td> <td>Rome, Italy</td> </tr> <tr> <td>Johannesburg, South Africa</td> <td>Venice, Italy</td> </tr> </table> <p><a href="#">Learn More</a></p>	Amman, Jordan	Karachi, Pakistan	Athens, Greece	Lima, Peru	Auckland, New Zealand	Los Angeles, USA	Barcelona, Spain	Medellin, Colombia	Buenos Aires, Argentina	Mexico City, Mexico	Chengdu, China	Nairobi, Kenya	Chennai, India	Paris, France	Dar es Salaam, Tanzania	Quezon City, Philippines	Dubai, UAE	Quito, Ecuador	Durban, South Africa	Rio de Janeiro, Brazil	Hanoi, Vietnam	Salvador, El Salvador	Ho Chi Minh City, Vietnam	Santiago, Chile	Istanbul, Turkey	Toronto, Canada	Jakarta, Indonesia	Rome, Italy	Johannesburg, South Africa	Venice, Italy
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### Challenges of reporting and assuring progress against the SDG goals

Collaboration is at the heart of the SDGs – these ambitious goals cannot be achieved by one party alone but involve governments, business and communities working together to achieve significant sustainability impacts and improvements to people's lives. We believe our commitment to partnership and collaboration helps us to achieve extraordinary results even though quantifying impacts and benefits across many partnerships is complex.

We have therefore reported and sought assurance on the progress against the five-year targets that support our SDG goals. We have reported on progress based on the best information we have available, from our operations and those of our partners. However, we recognize that because of the nature of the projects supporting the targets, the data are subject to limitations including estimates, extrapolations and reliance on information provided by a broad range of partners we work with to achieve these goals. For certain goals, assumptions are used that could result in an overstatement or understatement of beneficiaries when we are trying to quantify performance in challenging environments. The information below provides our stakeholders with some insight into the challenges of reporting SDG goal performance.

### Health Workforce, Women's and Children's Health

Many of our programs are co-funded, and while we make every effort to report only beneficiaries/healthcare professionals reached by our portion of the program, sometimes that is not possible. We do not have a direct line of sight to the data collection processes, as the data are gathered by our partners on the ground. Some of our partners have data quality assurance protocols, but some do not. For the purposes of our reporting, we assume each pregnant woman bears one infant—we do not use an estimation factor to discount for stillbirths or add for multiple births. For our goals, we count the number of individuals reached per year, aggregated over five years. This means that for some multi-year programs, where a similar population of individuals is reached but the data systems are not strong enough to track each individual's interaction with the program over the years, we do not always report unique individuals reached.

We also do not have 100% reporting as some data come in after organizational publication deadlines, which means we may have some undercounting. To remedy this, we have reduced the amount of time the partners have to report post-project completion. However, because of their organizational processes and difficulties obtaining timely data from remote areas in some cases, some partners report after our auditing deadline. Their data are reported in subsequent years.

### Essential Surgery

A large part of the data and progress for this goal comes from the work we undertake with the Medical and Surgical Skills Institute (MSSI) in Ghana. The MSSI reports the numbers, nationalities and disciplines of medical professionals that complete each MSSI course. However, estimating the number of patients benefiting from the skills and knowledge obtained in a course requires the use of estimates and extrapolations to account for the number of patients treated per week, potential duplicate visits (e.g., same patient being seen by a doctor and a nurse trained by the MSSI), and the retention time for the knowledge gained. We use conservative estimates for knowledge retention (one year) and have not included the potential multiplier effect of the “train-the-trainer” progression, where trained medical professionals go on to train others. To further assess the methodology and the rates used to calculate patient beneficiaries, in 2019, the MSSI added two questions to the evaluation survey it conducts with medical professionals after each course. The two questions added were: 1) How many patients do you see on average in a week? and 2) How many patients per week would benefit from the skills learned in this course? The surveys covered 124 MSSI courses and involved 2,013 individual respondents. The data from the survey were of good quality and consistent with Ghana health dynamics. The survey results substantiated the rates used by the MSSI. Consequently, we can confidently state that in 2019, MSSI training benefited 18.6 million patients across West Africa.

### Global Disease Challenges

When it comes to quantifying the progress against this goal, a large part of the data comes from the number of VERMOX doses donated, measured through the number of doses shipped. Historical data show that about 80% – 90% of the children targeted for treatment in endemic countries receive

two treatments each year. We thus have used a factorial of 1.6 – 1.8 to estimate the number of children treated each year. The number of children treated estimated for 2016 was based on the factorial of 1.6. For 2017 – 2019 the figure is based on the factorial of 1.8.

### Environmental Health

Success in achieving the desired impact for this goal depends on C40 city members initiating climate actions by the end of 2020. In order to achieve the scale of impact, actions need to be ambitious and, therefore, take time to develop and implement. C40 is working with the current administrations of their city members to support their planned actions. However, there is always a risk that actions do not get implemented or are altered in scale and ambition because of changes in city circumstances (e.g., political or funding changes). We will aim to manage this risk by focusing on ambitious actions with larger-scale impact spread across a number of cities, conducting careful vetting of proposed projects and making city participation as easy as possible.

When the Environmental Health goal was established in late 2016, a qualifier was placed on the original target of 100 million citizens living across 30 cities. As we noted at the time, those potential figures were to be revised once cities and actions were confirmed with C40 Cities. In 2018, these details were confirmed and the number of potential citizens benefiting was revised to 60 million over the five-year goal.

# Sustainability Governance

GRI 102-19, 102-20, 102-21, 102-29, 102-31, 102-32

Robust governance structures with clear chains of accountability enable us to deliver on both our commitments and stakeholder expectations. Our sustainability governance includes Board of Directors oversight, management accountability, corporate policies and management systems, and clearly stated public policies and positions on key environmental, social and governance (ESG) topics. Those ESG topics are well integrated into our business strategy and operations. We view effective management of ESG matters as a business fundamental and seek continuous improvement in these areas because they underpin the long-term success of our Company and our ability to deliver value for our stakeholders.

The Johnson & Johnson Enterprise Governance Council (EGC) serves as the primary governance body overseeing ESG topics and supporting the Company's **Enterprise Risk Management Framework**. The EGC is comprised of senior leaders who represent our Pharmaceutical, Medical Devices and Consumer Health business segments and our global enterprise functions with line of sight to, and ability to impact, ESG issues. Throughout 2019, the EGC continued to lead initiatives to embed ESG considerations in business decisions. Specifically, the EGC provided oversight for the Company's latest Priority Topics Assessment (PTA) aimed at identifying priority ESG topics. The Council also oversaw the establishment of the Enterprise Human Rights Governance Council, which reports to the EGC and is responsible for strengthening our approach to human rights due diligence and management. In July, the EGC kicked off the process for setting the Company's next generation of sustainability goals, the Health for Humanity 2025 Goals.

The Enterprise Governance Council Working Group (EGCWG) as the cross-functional "activation arm" of the EGC met four times in 2019 to review the status of key projects. In addition, the EGCWG refreshed its membership to more fully represent the global nature of the business.

For further details, see our [Position on Sustainability Governance](#).

## Engaging with our stakeholders

GRI 102-12, 102-13, 102-21, 102-40, 102-42, 102-43, 102-44

As a global healthcare company, Johnson & Johnson interacts with numerous stakeholder groups at the global, national and local levels. Our Credo, written more than 75 years ago, acknowledges the diversity of stakeholders to whom we are responsible, and serves as our guide to creating long-term value for our Company and for society. Ongoing and proactive engagement with these groups makes our Company stronger and better informed. It helps us gain valuable insight into our stakeholders' perspectives and the topics that matter to them. It better enables us to develop products and services that are responsive to their needs. This engagement also allows us to share information about our Company's strategy, practices and performance.

**Stakeholder engagement on ESG:** The PTA is an important mechanism to engage with and understand the views of our key stakeholders on ESG topics that they believe are priority for Johnson & Johnson. In 2019, we conducted our latest PTA. Building on learnings from prior assessments, we enhanced the methodology to conduct a deeper and broader stakeholder engagement across a larger number of applicable ESG topics.

Throughout 2019, members of our management team met with a significant number of our shareholders around the world to discuss our Health for Humanity sustainability approach and our progress in key ESG measures. In June 2019, we hosted our second Health for Humanity Report webcast with investors to accompany the release of our annual Health for Humanity Report, providing shareholders the opportunity to engage and ask questions of leaders in Investor Relations, Quality & Compliance, Medical Safety, Global Public Health and Environmental Health, Safety & Sustainability.



## Enterprise Risk Management Framework



The Johnson & Johnson Enterprise Risk Management Framework (ERM) was updated in 2019 to align with the Committee of Sponsoring Organizations of the Treadway Commission's 2017 ERM Framework update.

### Highlight

Johnson & Johnson joined the Biopharma Sustainability Roundtable in 2019, a sector-specific collaboration network that helps biotech and pharmaceutical executives drive their sustainability agendas forward. We are also a member of the Biopharma Investor ESG Communications Initiative, which was set up to address the common interest of leading biopharmaceutical companies and investors in achieving more effective, efficient and decision-useful communications about the sector's most important ESG issues.

**Participation in strategic initiatives:** To support dialogue and efforts related to the role of business in society, we participated in important initiatives like the Council for Inclusive Capitalism at The Vatican, Chief Executives for Corporate Purpose’s Strategic Investor Initiative and the Business Roundtable. In 2019, the Business Roundtable’s Corporate Governance Committee, of which our Chairman and CEO Alex Gorsky is the Chair, released a **new statement on the Purpose of a Corporation**, affirming the commitment of more than 183 CEOs to lead their companies for the benefit of all stakeholders—customers, employees, suppliers, communities and shareholders. In August, Johnson & Johnson joined the Organisation for Economic Co-operation and Development’s Business for Inclusive Growth coalition, which launched at the G7 Leaders’ Summit in France. The coalition brings together 34 leading multinationals who have pledged to take concrete steps to ensure that the benefits of economic growth are widely shared.

**Engaging with policymakers:** We also engage in dialogue with policymakers and other stakeholders. Johnson & Johnson is the sole healthcare sponsor of All Policies for a Healthy Europe, an intersectoral initiative undertaken by sectors outside of, and in collaboration with, the health sector, working to ensure that citizens’ health and wellbeing are a core priority for Europe. In this role, we are contributing to the strategic direction of the initiative, which focuses on the inextricable links between healthy societies, a healthy environment and healthy systems, and embraces the potential of data and digital technologies that improve wellbeing. We also joined the Call to Action for a New Deal for Europe, which brings together European leaders to collaborate on an overarching strategy for a sustainable Europe by 2030. Please see our approach to **Public Policy Engagement**.

**Stakeholder engagement for this Report:** Various internal stakeholders across Johnson & Johnson’s global teams provided their input into this Report. The final content has been reviewed by members of the Executive Committee.

See also our **Position on Stakeholder Engagement**.

## Sustainability Priorities

GRI 102-47



### Priority Topics Assessment

● Better Health for All ● Responsible Business Practices ● Environmental Health

Stakeholder expectations and the business environment in which we operate constantly evolve. Our Priority Topics Assessment (PTA) process helps us identify and prioritize the environmental, social and governance topics that matter most to our stakeholders and to our Company. The results inform and shape our sustainability priorities, public goal setting and reporting.

We have been conducting PTAs every two to three years since 2008, with our most recent and most robust assessment conducted in 2019. A detailed description of the 2019 PTA process, methodology and definitions of topics can be found [here](#).

# Better Health for All

One thing that has always united us at Johnson & Johnson is our commitment to advancing better health for all. For more than 130 years, this has been the focus of our Company, our business and our people. Health means many things: it's not only the absence of disease, it's eradicating the source of disease. It's not only developing cures, it's preventing the spread of sickness. It's not only manufacturing medicines, it's making them accessible to those who need them. And it's not only about medicines, it's about supporting entire healthcare systems and healthcare workers who deliver treatment and care for patients, and ensuring they have the right resources and skills to be effective.

Health means many things, and for Johnson & Johnson, it's all of them. By harnessing our breadth, scale and legacy of scientific innovation, we strive to change the trajectory of health for humanity. All humanity. Because better health for all means reaching the world's most vulnerable and underserved populations, addressing diseases that affect specific population segments, supporting low-income communities—especially in times of emergency—and empowering every individual to realize their right to health.

As the largest healthcare company in the world, Johnson & Johnson believes that advancing better health for all is our duty, our inspiration, our privilege and our business.

In this section of the Report, we describe how we have continued to advance better health for all in 2019 by combating and preventing disease, improving access and affordability of healthcare, supporting communities and health workers, and tirelessly driving healthcare innovation.



Johnson & Johnson works with partners to strengthen primary health systems in East Africa; a patient after his wellness check-up at a clinic in Mlolongo, Kenya.

### Key Achievements in 2019

- To improve access to mental healthcare in Rwanda, we completed the first-ever mental health clinical study and launched the first digital mental health training service in the country, with approximately 50,000 community healthcare workers trained by year's end.
- We expanded treatment for drug-resistant TB patients by providing SIRTURO (bedaquiline) for over 105,797 patients in 134 countries, and launched five new cross-sector TB R&D collaborations aimed at accelerating the early- to late-stage development of potential new TB medicines and treatment regimens.
- We continued advancing science to prevent and treat HIV/AIDS by launching the first Phase 3 efficacy study of Janssen's investigational HIV preventative vaccine with global partners. We improved youth HIV therapy and reduced infections in Africa by expanding the New Horizons Collaborative; and we reached over one million adolescent girls and young women through our partnership with DREAMS.
- We supported the Ebola outbreak response in Rwanda and the Democratic Republic of Congo by donating up to 700,000 regimens of Janssen's investigational vaccine and providing technology solutions to support the Ebola vaccination campaign.
- We launched our new Center for Health Worker Innovation to address the global health worker shortage.

### Areas of Opportunity

- Advocate for, and strengthen, multisectoral partnerships to accelerate R&D and delivery, focused on accelerating preventative viral vaccines and transformational treatments to tackle entrenched and emerging pandemic threats, including TB, HIV and Disease X.
- Work with partners to develop the pathway and supporting evidence to deliver a scalable, quality care model that leverages long-acting injectable medicines in resource-limited settings.
- Continue to encourage and enable open, candid and evidence-based multi-stakeholder dialogue to engage the global community on empowering health workers, strengthening health systems, overcoming access challenges, and unlocking potential of outcomes-based financing.

### Policies and Positions

Our policies and positions relating to Better Health for All are referenced throughout this section. In addition, please visit [ESG Policies & Positions](#) on our website.

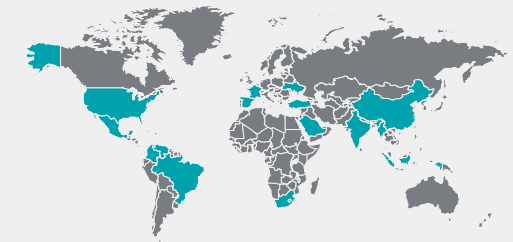
**\$11.4 billion**  
invested in R&D

**105,000 patients**  
provided access to HIV treatment

**106,000 patients**  
provided access to MDR-TB treatment

**\$37 million**  
donated for disaster relief to support our communities

**75,000 health workers**  
educated in 54 countries



# Tackling the World's Toughest Health Challenges

GRI J&J19-2

While the world has made significant progress in providing improved healthcare, major gaps remain. Through our **Global Public Health** (GPH) strategy, we are driven to foster better health for more people in more places around the world.

Johnson & Johnson GPH is the first fully dedicated organization within a healthcare company focused on combining innovative R&D, novel access programs, country-based operations and advocacy.

We are committed to pioneering and sustainably delivering meaningful and transformational products that save lives, cure patients and prevent disease for those most in need. Upholding the rich heritage of Johnson & Johnson, we are taking on the toughest challenges, targeting transformational health outcomes for individuals and communities.

We focus our efforts on:

- Making HIV and TB history;
- Preventing and responding to pandemics;
- Reducing the burden of neglected tropical diseases;
- Addressing mental health disorders in resource-limited settings; and
- Mitigating the threat of antibiotic resistance.

We deliver impact by:

- Developing holistic solutions to ensure our innovations are available, accessible and affordable;
- Enabling and advancing breakthrough science; and
- Collaborating and convening with partners, and advocating for those in need.

## Half a billion dollars toward eliminating HIV and TB

In 2019, Johnson & Johnson publicly committed to invest more than \$500 million over the next four years in discovery, development and delivery programs to advance the global effort to eliminate HIV and TB by 2030. HIV and TB are two of the world's deadliest diseases, together claiming more than two million lives every year, primarily in resource-limited settings.

“While ending HIV and TB is an ambitious goal, I firmly believe that with today’s scientific advancements and growing collaboration among the global health community to leverage our combined resources and decades of experience in HIV and TB, it is an achievable one.”

**Paul Stoffels, M.D., Vice Chair of the Executive Committee and Chief Scientific Officer, Johnson & Johnson**

### SDG COMMITMENT PROGRESS



**5-year Target:** 175 million individuals will have benefited from Johnson & Johnson solutions that prevent, control and eliminate global diseases.

**2016-2019 Progress:** 417 million beneficiaries (238% of overall goal achieved).

**+** Exceeded

[View scorecard](#)

## Making HIV History

SASB HC-BP-240a.1

Through our Janssen Pharmaceutical Companies, we are committed to the ongoing R&D of innovative solutions to fight **HIV** across the continuum of care. By partnering with others and utilizing our scale, we aim to make HIV history. In 2019, we again made significant progress, both in terms of supporting access to HIV therapy, and also through groundbreaking research to develop the world's first preventative HIV vaccine.

### Advancing science to prevent and treat HIV/AIDS

**Imbokodo moves forward:** In 2019, together with our partners, we were pleased to achieve full enrollment in our Phase 2b proof-of-concept efficacy study evaluating an investigational preventative vaccine against HIV-1 infection. This important step is part of our Imbokodo<sup>1</sup> study to evaluate Janssen's mosaic-based preventative vaccine in 2,600 young women across five southern African countries where women and girls experience high rates of HIV transmission. The mosaic-based concept is designed as a global vaccine that should prevent infection by a wide range of viral strains responsible for the HIV epidemic. We expect initial results from Imbokodo by late 2021 that will confirm whether it can safely and effectively reduce the rate of new HIV infections.

**Mosaico gets started:** Another significant advancement in 2019 was our announcement together with our partners to launch a second efficacy study, Mosaico, to test Janssen's mosaic-based preventative vaccine concept by accelerating a parallel Phase 3 efficacy study that will evaluate the vaccine regimen in men who have sex with men (MSM), and in transgender people aged 18 – 60. It aims to recruit 3,800 participants at more than 50 clinical trial sites across North America, South America and Europe—making it Janssen's largest study to date for the investigational preventative vaccine and one that focuses on communities that continue to face discrimination and challenges to access HIV treatment. Initial results from Mosaico are expected in 2024.

**Reducing the burden of HIV treatment for patients:** In early 2019, we announced positive results of the novel, investigational, long-acting two-drug injectable regimen in two major Phase 3 studies—the Antiretroviral Therapy as Long-Acting Suppression (ATLAS) trial and the First Long-Acting Injectable Regimen (FLAIR) trial. The positive results from both studies showed that our treatment regimen (Janssen's rilpivirine and ViiV Healthcare's cabotegravir), injected monthly, had similar efficacy in maintaining viral suppression in adults living with HIV-1 when compared to a standard of care, daily, oral three-drug regimen. Following this outcome, we submitted a Marketing Authorization Application to the European Medicines Agency for rilpivirine long-acting as part of this monthly injection treatment regimen. In addition, later in 2019, we were able to confirm positive top-line results from the Phase 3 ATLAS-2M study which indicated that dosing every two months was as effective in maintaining viral suppression as monthly dosing in adults living with HIV-1 infection. These developments signal unprecedented advances in treatment for people living with HIV, potentially reducing a regimen of daily medication to just six injections per year.

### Highlight

Johnson & Johnson collaborates with numerous patient advocacy groups and supports more than 100 philanthropic programs in more than 50 least-developed countries to address the needs of people living with HIV/AIDS.

### 2020 GOAL PROGRESS

104,000 adults and over 700 children received access to HIV/AIDS therapy with the branded and generic versions of PREZISTA (darunavir), INTELENCE (etravirine) and EDURANT (rilpivirine).

In Progress

[View scorecard](#)

### 2020 GOAL PROGRESS

Regulatory submissions were made for rilpivirine long-acting (LA), the first all-injectable depot regimen for HIV:

- One submission to the U.S. Food and Drug Administration by ViiV Healthcare for ViiV's cabotegravir LA together with Janssen's rilpivirine LA.
- Two parallel submissions to the European Medicines Agency—one for rilpivirine LA by Janssen and one for cabotegravir LA by ViiV Healthcare.

Achieved

[View scorecard](#)



## Improving youth HIV therapy

In 2019, we expanded our **New Horizons Collaborative**, an innovative, integrated approach to improve access to antiretroviral (ARV) therapy for children and adolescents living with HIV in countries with the highest burden of pediatric HIV to include Cameroon, Nigeria, Rwanda and Zimbabwe, and to provide access to treatment until the age of 24 to enable a smooth transition into national adult HIV care. Worldwide, approximately 1.7 million children under age 15 have HIV.<sup>2</sup> Generally, access to ARVs and treatment outcomes for children and adolescents are worse than those for adults across Africa. As a multisector partnership, the New Horizons Collaborative aims to improve and scale up ARV therapy for children and adolescents through increased awareness and research, strengthening health systems, and improving access to HIV medicines. Through the program, Johnson & Johnson provides treatment free of charge. The New Horizons Collaborative was recognized by the Access to Medicine Foundation as a **best practice in pediatric HIV care**.

Additionally, in sub-Saharan Africa, we advanced our partnership with **DREAMS Thina Abantu Abasha**, a youth-led peer-to-peer initiative aimed at reducing the rate of HIV infections among adolescent girls and young women (AGYW). Through this program, in 2019, we reached 1.2 million AGYW, including all 19 – 24-year-olds who underwent HIV testing for the first time.

## Additional initiatives to make HIV history

We maintain our pledge to the MenStar Coalition, which brings together global partners to expand the diagnoses and treatment of HIV infections in men, particularly in sub-Saharan Africa. This is a key step forward to breaking the cycle of HIV transmission and ultimately ending the HIV/AIDS epidemic as a public health threat. In 2019, we further committed resources to develop and deploy key insights about key emotional and health system barriers men face in accessing HIV treatment.

As part of our longstanding global fight to eliminate HIV, and to support nurses at the front lines of care, Johnson & Johnson commissioned the *5B* documentary film. *5B* is an inspirational story of the unsung heroes of healthcare working on the world's first ward dedicated to treating AIDS patients at San Francisco General Hospital at the height of the epidemic in the early 1980s. Told through the voices of nurses and staff, *5B* highlights the individuals who provided quality healthcare, compassion and the power of human touch during a time of great uncertainty. A portion of the film's proceeds are used to fund HIV/AIDS projects in Africa.

We launched the first (BAND-AID®)RED campaign collaboration between BAND-AID® Brand Adhesive Bandages and (RED), a group of companies who partner and provide critical funding, awareness, and resources to help fight AIDS. Through this partnership, we hope to mobilize people everywhere to #bandtogether against HIV/AIDS. The purchase of a box of (BAND-AID®)RED Bandages helps provide a day's worth of lifesaving medication to an HIV patient in sub-Saharan Africa.

As part of the Janssen-Pepal Leadership Challenge, 224 employees from Belgium and the Netherlands are engaged in a program in Uganda to help devise community-based interventions to generate impact on adolescent sexual and reproductive health. Starting in 2019, our employees are visiting Uganda in four cohorts spread over two years, working with government adolescent health workers, peer leaders and specialists from Baylor College of Medicine Children's Foundation – Uganda. The Janssen-Pepal Leadership Challenge combines development of employees and strengthening of healthcare systems in low-resource settings, positively impacting patients, healthcare professionals and healthcare systems.

## Eradicating Tuberculosis

SASB HC-BP-240a.1

Johnson & Johnson has been a committed partner in the global fight against **TB** for more than two decades. We are currently working to help end TB through our **comprehensive 10-year initiative** announced in 2018, and our public promise to invest \$500 million in the development and delivery of innovations to combat TB and also HIV. We work closely with governments and other partners in high-burden, low- and middle-income countries to build critical health systems capacity and capabilities by training health workers, improving diagnosis, raising awareness and reducing stigma around TB in local communities. We have also taken numerous steps to ensure appropriate use and stewardship of bedaquiline in line with the World Health Organization guidelines to prevent the development of resistance to the medicine. See section on **Overcoming Antimicrobial Resistance**.

### Highlights

When bedaquiline received accelerated regulatory approval from the U.S. Food and Drug Administration in 2012, it was the first targeted TB drug with a novel mechanism of action developed in more than 40 years. Since then, we have partnered extensively in high-burden countries to provide access to and ensure appropriate use of our treatment.

As part of this effort, we donated 105,000 courses of treatment, free of cost, to 80 countries through a four-year donation program (2015 – 2019), operated in partnership with the U.S. Agency for International Development (USAID) and JSC Pharmstandard.

In total, between 2012 and 2019, we delivered 188,000 courses of bedaquiline to patients in 138 countries.

## Expanding treatment for TB and DR-TB patients

### Bedaquiline is a core component of WHO-recommended treatment:

In 2019, the World Health Organization (WHO) published a Rapid Communication indicating that all-oral regimens containing Johnson & Johnson's bedaquiline are the preferred treatment options for all patients with multidrug-resistant tuberculosis (MDR-TB) and rifampicin-resistant TB (RR-TB). This decision expands the use of bedaquiline in shorter treatment regimens to replace injectable agents. WHO advised national TB programs to phase out the use of injectable-containing short-course regimens, which have been known to cause toxic side effects for patients. The Rapid Communication was released in advance of updated consolidated drug-resistant tuberculosis (DR-TB) treatment guidelines, expected in 2020, to help national TB programs to begin planning for a rapid transition to what WHO describes as "more effective, less toxic and easier to implement" regimens.

“The decision from WHO reiterates the importance and value of bedaquiline as a vital component of modernized DR-TB treatment regimens.”

**Martin Fitchet, M.D., Global Head, Global Public Health, Johnson & Johnson**

**Expanding treatment to young people:** In 2019, we secured U.S. Food and Drug Administration (FDA) approval for bedaquiline tablets as part of combination therapy for eligible MDR-TB patients aged 12 years and over in the United States. This FDA approval marks the first regulatory milestone as part of Johnson & Johnson's global pediatric R&D program for bedaquiline. Additionally, our new pediatric formulation of bedaquiline for children aged 5 to < 12 years of age is under review at the FDA and European Medicines Agency. For those children under 12 years of age, a 20 mg tablet was developed, which can be dispersed in water to make it easier for children to swallow. These developments represent a significant advance for children suffering from hard-to-treat forms of TB. Furthermore, we are striving to achieve even more with our pediatric program: a clinical study is ongoing to evaluate the pediatric formulation of our medicine among children aged 2 to 4, and once preliminary data is available, the youngest age cohort (0 – 2 years of age) will begin enrollment.

## New report shows cost-benefit of treating DR-TB

A report published in 2019 by The Economist Intelligence Unit (EIU), with support from Johnson & Johnson, emphasized the urgent need for global action to address the growing threat of DR-TB.

While the cost of inaction is high, the EIU report highlights that addressing DR-TB provides good value for the investment. The benefit-to-cost ratio for investing in diagnosis and treatment of DR-TB specifically has been estimated at up to US\$23 for every dollar invested.

Read the EIU report: [“It’s Time to End Drug-Resistant Tuberculosis: The Case for Action.”](#)

## Activities to accelerate an end to TB in India

In 2019, we announced the expansion of our TB program in India through a series of new collaborations with multilateral and non-governmental organizations (NGOs), as well as the Government of India, to support India's efforts to end TB by 2025, as outlined in its National Strategic Plan for TB Elimination. For the past four years, Johnson & Johnson has worked with the Government of India to scale up access to bedaquiline, providing 22,000 courses free of charge, as part of a donation program administered by USAID. Our expanded TB program in India includes:

- **Using "edutainment" and visual campaigns to reach patients and break stigma:** With our support, the MTV Staying Alive Foundation launched a new edutainment radio campaign, MTV Nishedh (meaning "taboo" in Hindi), on a popular radio station across six cities in India to raise

awareness about critical health issues, including TB, and help young people make more informed choices about their health. We also partnered to launch a Metro Awareness project in Hyderabad to increase awareness of TB through visual campaigns in 45 metro trains.

- **Partnering to enhance diagnostic capacity:** We are supporting a new effort through which the Foundation for Innovative New Diagnostics (FIND) will provide technical assistance to establish new TB culture and drug-susceptibility testing facilities in at least seven sites across India with a focus on three high-burden states.
- **Training health workers to improve standards of care:** We launched a unique collaboration with the International Union Against Tuberculosis and Lung Disease to help build capacity of public-sector healthcare providers for the effective management of TB and DR-TB. We will support capacity building workshops for clinicians and healthcare workers in seven high-burden states. Also, we invested in further efforts to improve care for DR-TB patients with plans to train an additional 5,000 healthcare professionals by the end of 2020.
- **Strengthening private-public treatment pathways:** We are supporting a pilot initiative with TB Alert India to expand referrals of patients from the private to the public health system. The model involves a dedicated call center and an online platform, CONNECT FOR LIFE, developed by Johnson & Johnson to help track and support patients throughout their treatment.

### 2020 GOAL PROGRESS

# 182,000

patients received access to MDR-TB therapy with SIRTURO (bedaquiline) since 2016. Of the 37,000 patients provided access in 2016 and 2017, an estimated 32,000 have been potentially cured, based on the 87.8% cure rate.

**On track**

**View scorecard**

## Collaborating to eradicate TB

**New research consortium:** In 2019, we launched an international research consortium to discover and develop new TB antibiotics in collaboration with eight European academic and biotechnology partners. Co-funded with Europe's Innovative Medicines Initiative (IMI), this initiative, called RESPIRI-TB, is one of several partnerships we are advancing at Johnson & Johnson to accelerate TB R&D. The RESPIRI-TB initiative will help enable the development of a new, more efficient combination drug regimen to cure MDR-TB, while shortening treatment duration and minimizing the likelihood of resistance. The new consortium includes nine research teams spanning five European countries, and the RESPIRI-TB program also supports a pillar of Europe's IMI AMR Accelerator Programme.

### Highlight

In 2019, the U.S. Food and Drug Administration approved pretomanid, a novel medicine developed by the TB Alliance, as part of a bedaquiline-containing "BPAL" regimen for the treatment of adults with aggressive forms of DR-TB. This approval marks an important milestone in the fight against DR-TB by providing a simpler, shorter treatment option for patients who have historically faced lengthy treatment regimens. The inclusion of bedaquiline in the BPAL regimen underscores the critical role of our medicine in efforts to modernize TB therapy. Bedaquiline and pretomanid are two of only three new TB therapies to be introduced in the past half-century.

## Preventing & Responding to Pandemic Threats

SASB HC-BP-240a.1

From epidemics like COVID-19, Ebola, HIV and TB to the challenges of adequate-quality primary, community-based healthcare, we are anticipating and responding to the toughest and most pressing challenges that threaten hard-won health gains.

Johnson & Johnson believes that global health security requires coordinated efforts from governments, civil society and healthcare companies. Through Janssen, we are actively engaged in global pandemic preparedness across multiple disease areas, developing new vaccines and treatments to combat a wide range of infectious diseases that are already pandemics, such as HIV and TB, or that have pandemic potential, such as Ebola, Zika and influenza, including immediate action to address new threats as they appear, such as COVID-19. [See here](#) for how we are seeking to outsmart pandemics.

For more information on how the intersection of human health and climate health impact are related to pandemics, read our [Position on Human Health and the Environment](#). You can also learn more about our efforts to reduce environmental impacts in the [Environmental Health](#) section.

### Collaboration to support pandemic preparedness

We maintain a wide range of collaborations to address global health security and pandemic preparedness. Specifically, we collaborate with the Biomedical Advanced Research and Development Authority (BARDA), part of the U.S. Department of Health and Human Services, to advance research and the development of solutions for a range of diseases with pandemic potential, including influenza, Ebola, COVID-19 and others.

## Our response to the coronavirus disease

Immediately following the early spread of COVID-19 in late 2019, we began mobilizing resources to launch a multi-pronged response including vaccine investigation and development, therapeutic compound screening, global collaborations with governments and the scientific community, donation of equipment and needed resources, investments to support the frontline health workforce, and managing the COVID-19 impact on our operations and employees. [See here](#) for the most recent updates on our efforts to address the COVID-19 pandemic.



Ed Kuffner, M.D., Chief Medical Officer, Johnson & Johnson Consumer Health, volunteering in the emergency department at New York City's Coney Island Hospital to support COVID-19 emergency response.

## Containing Ebola

The Janssen Pharmaceutical Companies of Johnson & Johnson have been a leader for many years in efforts to help prevent Ebola outbreaks. In 2019, the first doses of our investigational Ebola vaccine regimen arrived in the Democratic Republic of the Congo (DRC) and the Republic of Rwanda. To help protect people at risk of Ebola in DRC, we have committed to donate up to 500,000 investigational vaccine regimens in support of a new clinical study.

In Rwanda, where citizens are potentially at risk from the Ebola outbreak in neighboring DRC, we are providing up to 200,000 investigational Ebola vaccine regimens (which has been conditionally approved in Rwanda) to support a new immunization program led by the Government of Rwanda. We also provided technology solutions such as biometric identification and mobile messaging to support the Ebola vaccination campaign.

Also, in 2019, the European Medicines Agency Committee for Medicinal Products for Human Use granted an Accelerated Assessment for our investigational Ebola vaccine regimen for the prevention of Ebola Virus Disease caused by Zaire ebolavirus species. This is an important step in helping to secure global preparedness for Ebola, especially as the world's largest Ebola outbreaks have taken place in the last six years alone and continue to spread, for example, as in the 2018 outbreak in DRC.



Shipping our Ebola vaccine candidates to Rwanda.

## Containing Malaria, Chagas, Influenza, Zika, Hepatitis B and ExPEC

**Malaria:** In 2019, we advanced the development of a long-acting injectable for malaria prevention with Medicines for Malaria Ventures. Newly developed injectable formulations of a marketed antimalarial agent provided coverage of required target concentrations for three months with a single injection in large and small animal test models. To reach target human populations for this treatment we would support the Seasonal Malaria Control prevention programs in Africa and treat migrants traveling into those regions; and we would participate in malaria elimination programs.

**Chagas:** Chagas disease affects between eight and 10 million people worldwide, with the majority of cases found in Latin America. It is caused by the parasite *Trypanosoma cruzi* and can lead to serious cardiovascular disorders including congestive heart failure. The current medications used to treat this have a number of undesirable side effects, which limit their use and also do not address late-stage Chagas disease. We are currently engaged in a discovery research program to identify compounds that have the potential to treat both the acute and chronic stages of this disease. We entered into a collaboration agreement in 2019 with the Drugs for Neglected Disease initiative to optimize the hits we have obtained from screening a subset of our chemical library. Through these efforts we hope to identify a lead compound that will allow us to move into developing an effective treatment for this disease.

**Influenza:** Seasonal influenza is an acute respiratory infection caused by influenza viruses, which circulate in all parts of the world. Illnesses range from mild to severe and even death. Hospitalization and death occur mainly among high-risk groups. Worldwide, these annual epidemics are estimated to result in about three to five million cases of severe illness, and about 290,000 to 650,000 respiratory deaths.<sup>3</sup> In 2019, with support from BARDA, we progressed two Phase 3 studies of a new compound with a mechanism of action different from that of existing antiviral drugs.

**Zika virus:** Zika, a mosquito-transmitted flavivirus, can cause severe congenital disease in children born to mothers infected during pregnancy. Although Zika virus incidence has waned in recent years, a protective vaccine is still urgently needed to prevent congenital Zika syndrome in at-risk areas. We continue to invest and assess the potential of our candidate Zika preventative vaccine, which showed acceptable safety and clear immunogenicity in a 2019 Phase 1 trial. As there is no specific approved medicine or vaccine for Zika virus, we stand ready to respond rapidly and efficiently to potential future outbreaks of Zika virus.

**Hepatitis B virus (HBV):** Hepatitis B causes more than 887,000 deaths each year and is a major threat to global public health. Some 257 million people worldwide are chronically infected with HBV, and the disease causes around 40% of all primary liver cancers—the second-most deadly cancer.<sup>4</sup> Our current investigational HBV treatment portfolio covers many unique mechanisms of action, including novel antivirals that can inhibit the virus from reproducing, as well as vaccines designed to fortify the immune system to control the virus long-term. We are currently progressing our first-ever triple combination Phase 2b clinical trial for HBV.

**Extraintestinal Pathogenic *Escherichia coli* (ExPEC):** Bacteremia and sepsis caused by ExPEC bacteria are among **the top 10 causes** of death in older adults, and the number of cases is rising as the population ages.<sup>5</sup> Because of rising antimicrobial resistance, antibiotics are becoming less effective in fighting infections caused by ExPEC, such as bacteremia, when bacteria enter the blood, or sepsis, when the body reacts to infection extremely and dangerously. In 2019, the Center for Biologics Evaluation and Research designated fast-track status to Janssen's ExPEC10V investigational vaccine program. The Innovative Medicines Initiative is co-funding the Phase 3 feasibility study of our ExPEC10V vaccine, which we hope will help contain bacteremia on a broad scale.

**Addressing health security needs in Uganda:** In 2019, Johnson & Johnson led the Global Health Security Agenda Private Sector Roundtable (PSRT) in negotiating and signing a Memorandum of Understanding (MoU) with the Uganda Ministry of Health to strengthen skills within the Ministry. This new partnership will support Uganda in addressing specific health security needs and will include workforce training in public health management and leadership, diagnostics, data literacy and many other areas.

“The signing of the MoU is a huge step for private-sector engagement in global health security, but it is only a first step for this partnership, which we hope will serve as a model for future public-private partnerships to better prevent, detect, and respond to health threats.”

**Alan Tennenberg, M.D., PSRT Chair, Chief Medical Officer, Global Public Health, Johnson & Johnson**

## Collaborating and innovating for health security

In 2019, we collaborated with Biomedical Advanced Research and Development Authority (BARDA) to develop and maintain a specialized innovation unit in JLABS @ Washington, DC dedicated to the advancement of medical countermeasures aimed at securing our nation from chemical, biological, radiological and nuclear threats, as well as from pandemic influenza and emerging infectious diseases. Under the arrangement, Johnson & Johnson Innovation – JLABS will host educational and other outreach programs on innovation and development in these mutual areas of interest in the hopes of attracting a pipeline of cutting-edge companies. The idea is that with mentorship by JLABS and support from BARDA, these companies might be better poised to deliver faster solutions for some of the biggest problems facing our nation and the world. See our [Innovating for Better Health](#) section.

## Combating Neglected Tropical Diseases

SASB HC-BP-240a.1

Our aspiration of better health for all guides us to advance inclusive access to healthcare. This includes helping alleviate the burden of diseases that impact our most underserved populations. We have a track record of investing R&D resources in and supporting access to treatment to effectively combat soil-transmitted helminthiasis (STH), known as intestinal worms, dengue, river blindness and other diseases.

Janssen shares 80,000 chemical compounds from its JumpstartARter molecular library with the global research community to help collaborators accelerate treatment and prevention of NTDs, along with TB, malaria, and other diseases common in the developing world.

**Progress in combating STH:** In 2019, we committed to the World Health Organization (WHO) to extending our annual 200 million dose donation of our intestinal worms treatment VERMOX CHEWABLE (mebendazole chewable 500mg tablets) through 2025. The treatment will target both pre-school and school-aged children in developing countries. The WHO coordinates endemic country requests for drug orders, which Johnson & Johnson then fulfills. With this contribution, the progress against combating STH infections will continue, and children in the world's poorest countries will be able to achieve their full potential and thrive. The new VERMOX CHEWABLE formulation was approved by the [U.S. Food and Drug Administration](#) in 2016 and received WHO [Prequalification](#) in April 2019. By 2021, the donation will be fully transitioned from the solid tablet to the new chewable formulation, and allows one tablet for all ages down to one-year-olds.

Beyond drug donations, Johnson & Johnson is working with partners to identify sustainable solutions to combat intestinal worms longer term. These include improving diagnostics for STH and providing funding to support the development of national monitoring and evaluation frameworks to allow for better data collection, more informed decision-making, and ultimately, targeted therapeutic interventions that have the potential to control intestinal worms in endemic countries.



Peruvian children washing hands before taking a Johnson & Johnson VERMOX CHEWABLE tablet to treat intestinal worms as part of a national mass drug administration campaign.

**Highlights**

Johnson & Johnson has donated more than 1.6 billion doses of VERMOX since 2006.

In late 2019, the VERMOX CHEWABLE was introduced into 11 different countries. Peru was the first country globally to receive VERMOX CHEWABLE as part of mass drug administration campaigns.

**2020 GOAL PROGRESS**

**0.8 billion**

doses of VERMOX (mebendazole) were donated in 42 countries, with 415 million children having been targeted for treatment.

**On track**

[View scorecard](#)

**Progress in combating dengue:** The aim of our dengue program is to develop a potent, first-in-class antiviral for the prevention of dengue, both for travelers and vulnerable populations living in dengue-endemic areas. In 2019, we completed a Phase I (First-in-Human) trial for a new treatment in partnership with the Wellcome Trust, a global charitable foundation, and the University of Leuven in Belgium. The trial yielded positive outcomes. We submitted a prepackage of our Investigational New Drug (IND) application for our new treatment and expect to deliver our final IND application in 2020. Our approach includes the development of a model to predict dengue outbreak areas four weeks ahead of time in support of the clinical development program.

**Transforming Mental Healthcare**

SASB HC-BP-240a.1

Worldwide, anxiety affects one billion people. Nearly a third of that figure suffer from depression, 60 million suffer from bipolar affective disorder, and a further 21 million have schizophrenia or other severe psychoses. Additionally, dementia—already a widespread condition—is expected to impact more than 150 million people 30 years from now.<sup>6</sup> Health systems have not yet adequately responded to the burden of mental disorders, and the gap between the need for treatment and its provision is wide all over the world. In low- and middle-income countries, between 76% and 85% of people with mental disorders receive no treatment for their disorder.<sup>7</sup>

With more than 60 years of supporting those affected by mental illness, Johnson & Johnson is committed to expanding access to transformational mental health innovations to positively impact people’s lives.

**Mental health and the environment:** In 2019, we expanded the scope of our environmental health strategy and partnerships to consider support for better health, especially for better mental health, which comes from spending time in nature and other natural exposures. We initiated a new partnership with the Institute for European Environmental Policy to examine how policy can support better mental health through ensuring access to nature. We also initiated a partnership with the Gund Institute, a cross-functional environmental research organization based at the University of Vermont, to support research examining new ways to assess the connections between mental health and natural exposures.

Johnson & Johnson collaborated on a report outlining strategies to improve workplace mental health, published by the American Heart Association CEO Roundtable in 2019.

For our 2019 neuroscience pharmaceutical innovation, see the [R&D: Pharmaceutical](#) section.

## Supporting mental healthcare in Rwanda

The partnership we established in 2018 with the Rwanda Ministry of Health to strengthen and expand access to quality mental healthcare in the country made strong progress in 2019:

- RISPERDAL (risperidone), our oral medicine for the treatment of schizophrenia, received marketing approval by the Rwanda Food and Drug Administration. Facilitating increased access to innovative antipsychotics like risperidone is an important early step on the road to better treatment, care and outcomes for patients in countries without strong mental healthcare infrastructure and services to treat schizophrenia.
- We completed the first-ever mental health clinical study that will inform feasibility and capacity-building for a future mental health open-label clinical study of the health, economic and social impact of long-acting injectable antipsychotics for the treatment of people with schizophrenia to be completed by 2024. Thirty-one patients in this study were successfully transitioned to a two-year post-trial access program for paliperidone palmitate three-month formulation.
- We co-developed and launched a remote training system for over 48,204 registered community health workers across all 30 districts of Rwanda. The eight training modules are based on a Ministry of Health curriculum on mental healthcare and include content on recognizing early signs of mental disorders, best practices for mental health first aid, and guidance on when to refer patients for additional care.
- Along with a grant from the Johnson & Johnson Foundation, Johnson & Johnson helped enable [Partners In Health](#) (PIH) to bring critically needed services to two districts in Rwanda's Eastern Province—Kirehe and Kayonza—and create a new generation of mental healthcare professionals. The focus of the program is having psychiatric nurses from district hospitals train nurses in local health centers to diagnose and treat mental health. In this first year of the three-year grants, PIH was able to train 115 healthcare providers in mental healthcare and provide 2,833 patients with access to mental healthcare.

- We co-sponsored the first annual Mental Health Summit in Kenya where the keynote speaker at the summit, Dr. Yvonne Kayitshonga, Mental Health Division Manager at the Rwanda Biomedical Centre at the Ministry of Health, discussed the progress made in Rwanda and our mental health partnership. Our purpose was to continue to raise awareness and prioritization of mental health within the East Africa region healthcare agenda utilizing the influence of Rwanda and Kenya together to shape this narrative.
- At a meeting in Kigali to launch the 2019 – 2024 Health Sector Strategic Plan, the Honorable Dr. Diane Gashumba, former Minister of Health of Rwanda, recognized Johnson & Johnson for our contributions to the Rwandan health sector, on behalf of the Ministry of Health.

### Snapshot

April 2019 marked the 25th anniversary of the Rwandan Genocide. During 100 days in 1994, the African country of Rwanda saw the horrific killing of up to one million people. Beyond the immeasurable loss of human life, the genocide also created an increased burden of mental health disorders across the country. Victims, witnesses, perpetrators and returning refugees alike have been found to suffer from heightened rates of post-traumatic stress disorder, depression, and anxiety as they grapple with the enduring emotional wounds from that time. In the months leading up to the 25th anniversary Genocide Commemoration, Johnson & Johnson supported the Rwanda Ministry of Health to train community health workers on common signs of mental illness and how to link people in need to care.

## Mental health initiatives in China

More than 54 million people in China suffer from depression.<sup>8</sup> Proper diagnosis and treatment for depression are rare, especially in underserved regions, with less than two out of 10 patients seeking medical help or taking medications. In 2019, we signed a Memorandum of Understanding (MoU) with Holmusk, a digital health and data analytics company, to explore the development of a digital mental health strategy in China. In order to develop integrated solutions for people living with mental health disorders, the MoU brings together Janssen's 60-plus years of experience in mental health along with its China neuroscience portfolio and Holmusk's therapeutics design expertise.

“ In Janssen, we have a partner that is dedicated to transforming how mental health is managed in China. We have confidence that we can establish data as a core utility to the treatment of mental health and provide the capacity for leapfrog-change in the provision of care and research into new treatments.”

**Nawal Roy, Founder and CEO, Holmusk**

## Overcoming Antimicrobial Resistance

SASB HC-BP-240a.1

The spread of drug-resistant pathogens, known as antimicrobial resistance (AMR), is a growing public health concern. Overuse of antibiotics, or not using them as prescribed, contributes to growth of resistant bacteria, which renders antibiotics less effective or ineffective. It is estimated that by 2050, AMR infections could cause 10 million deaths annually.<sup>9</sup> Johnson & Johnson has a longstanding commitment to develop and responsibly deploy innovative technologies and treatments to combat the growing threat of AMR on multiple fronts.

In 2019, we joined the U.S. Centers for Disease Control and Prevention's AMR Challenge to combat antimicrobial resistance by submitting an actionable commitment for change. The AMR Challenge is a way for governments, private companies, and non-governmental organizations worldwide to make formal commitments that further the progress against antimicrobial resistance. Read our commitment on the [AMR Challenge page](#).



Scientist at Janssen Sciences Ireland in Cork, Ireland.

## Recognized for our leadership in AMR

Johnson & Johnson is proud to be recognized for the second time as a leader among our peers in the fight against AMR in the [2020 Antimicrobial Resistance Benchmark](#). The independent report from the Access to Medicine Foundation evaluates 30 pharmaceutical companies on their efforts to bring AMR under control. The Access to Medicine Foundation is an independent, nonprofit research organization based in the Netherlands.

Our performance was **recognized** in four core categories: Research & Development (R&D), Responsible Manufacturing, Appropriate Access, and Stewardship. Johnson & Johnson is making the second-largest R&D investment in relevant disease areas as identified by the Benchmark and is stewarding one of the largest antimicrobial pipelines to ensure antimicrobials remain a backbone of modern medicine.

These efforts are clearly exemplified in our work to tackle drug-resistant TB (DR-TB). DR-TB is responsible for one-third of all AMR-related deaths and is the world's only airborne drug-resistant infection. Currently, a third of all people with DR-TB—approximately 300,000 individuals—are not aware they are infected, posing a major threat to public health and global health security. See our section on [Eradicating Tuberculosis](#).



# Enhancing Access to Healthcare

GRI J&J19-1, J&J19-8 SASB HC-BP-240a.1

As the world’s largest healthcare company, Johnson & Johnson is committed to improving access to our innovative medicines, vaccines, devices and diagnostics in all countries. Many factors impede access to basic health services and may risk optimum health outcomes for underserved populations. In addition to the affordability of medicines, weak health infrastructure, lack of skilled health workforce, inadequate financing options to cover medical needs, and insufficient regulatory capacity to run effective healthcare delivery systems all have varying impacts in different countries. We tailor our programs and activities to provide support where and how it is needed most.

## Improving Access & Affordability

SASB HC-BP-240a.2

We pursue a wide variety of approaches appropriate to the specific reimbursement systems and legal guidelines of different countries. Using tools such as equity-based tiered pricing and partnerships with public health organizations, we strive to help achieve broad and timely access to our medicines in a way that is affordable locally. Three ongoing access initiatives reflected in our [Health for Humanity 2020 Goals Progress Scorecard](#) for those in resource-constrained settings include:

- Expanding access to HIV/AIDS treatment, developing the first HIV vaccine, and improving HIV diagnostics;
- Ensuring affordable and sustainable access to multidrug-resistant tuberculosis treatments; and
- Promoting treatments to address neglected tropical diseases.

Johnson & Johnson is an original signatory of the Business for Social Responsibility (BSR) Guiding Principles on Access to Healthcare that underscore the importance of reducing the global burden of disease through collaboration, R&D, expanding availability of healthcare services, developing health systems resources, and respecting human rights.

In the last decade, Johnson & Johnson has ranked among the top three companies worldwide working to expand access to medicines, according to the [Access to Medicine Index](#). The Index, which is compiled by independent experts at the Access to Medicine Foundation, evaluates 20 of the world’s largest research-based pharmaceutical companies on their performance in making medicines, vaccines and diagnostics more accessible to people in need in low- and middle-income countries. The most recent Index, covering 2018, highlights Johnson & Johnson’s unique global public health business approach, commitment to R&D for diseases of the developing world, and leadership in health system strengthening, as well as efforts to overcome antimicrobial resistance through our work to [eradicate tuberculosis](#).

### Highlight

6 Johnson & Johnson products are included in the WHO List of Prequalified Medicinal Products:

- Darunavir (ethanolate), Tablet, Film-coated 75mg
- Darunavir (ethanolate), Tablet, Film-coated 150mg
- Darunavir (ethanolate), Tablet, Film-coated 600mg
- Etravirine, Tablet, Film-coated 100mg
- Etravirine, Tablet 25mg
- Mebendazole, Tablets, Chewable 500mg

## Challenging entrepreneurs to enhance access to healthcare in Africa

In 2019, our second Africa Innovation Challenge, with its goal of stimulating entrepreneurship and innovation in Africa, attracted almost 900 applicants from 39 countries who submitted inspiring proposals to improve health and wellbeing in their communities and beyond.

The six winners, selected by Johnson & Johnson healthcare leaders from our three business segments and corporate functions, each received a grant of \$50,000 and mentoring support to address unmet needs across critical healthcare areas.

The winning proposals included a digital platform that enables delivery of lifesaving blood to hospitals in less than 45 minutes (LifeBank, Nigeria); a mobile phone app for remote hearing tests for children in rural Africa (Dreet, Botswana); an organic, affordable soap that repels mosquitoes to help prevent the spread of malaria (Uganics, Uganda), and a solar-powered, foldable crib that helps jaundiced babies receive important phototherapy to help them regain health (Crib A’Glow, Nigeria).

## Transparent performance on access and pricing

Headlines from the 2019 Janssen U.S. Transparency Report:

- In 2019, the average net price of our medicines declined (1.2%).
- This decline reflects the \$24.5 billion in discounts, rebates, and fees we provided to intermediaries in the system—more than half the list price of our medicines.
- We maintained our significant investment in discovering and developing new medicines for patients—spending 91% more on global R&D than on global marketing and sales. In the last five years, we've spent \$39.4 billion on R&D, resulting in seven new medicines and 38 new indications.
- We helped 1.3 million patients with access, affordability and treatment support through Janssen CarePath.
- We worked with stakeholders to advance practical policy solutions to reduce costs for patients, while supporting continued progress in the fight against disease.

For more information, see the [2019 Janssen U.S. Transparency Report](#).

**Access and affordability for patients in the U.S.:** In the United States, we provide resources to patients, caregivers and healthcare providers through the Janssen CarePath program, which helps patients gain and maintain access to the Janssen medicines they are prescribed.

Janssen CarePath programs help patients navigate complex payer processes, connect with savings programs, and stay on their prescribed medications. These strategies have the potential to lead to better quality of care and outcomes. Programs under the Janssen CarePath brand also aid adherence to prescribed therapies and support patients, providers, and caregivers in accessing and affording prescribed Janssen medications.

Our initiatives in 2019 include:

- **Mobile enrollment on Janssen CarePath:** We introduced a new capability on Janssen CarePath, enabling U.S. SYMTUZA (darunavir/cobicistat/emtricitabine/tenofovir alafenamide) patients to initiate enrollment in the Janssen CarePath Savings Program for Infectious Diseases by texting from their phone. Eligible patients can send a text to enroll in the program on their smartphone and receive an electronic savings program card that can be saved to a digital wallet on their mobile device.
- **Enhancing access in Kenya:** In partnership with Kenya's National Hospital Insurance Fund (NHIF), we are enhancing access to ZYTIGA (abiraterone acetate), a drug used to treat an advanced form of prostate cancer. The new partnership will allow more patients to be diagnosed and treated earlier through a patient assistance program for NHIF-member patients.

- **Enhancing access in China:** Johnson & Johnson Medical Devices in Shanghai partnered with TINAVI, the market leader in orthopaedic robotics in China. This strategic collaboration will allow DePuy Synthes, our orthopaedics business, to bring TINAVI's robotic solutions for spine and trauma surgery to the China orthopaedics implant market. To date, TINAVI is the only arm-based robotic technology with multiple indications approved for use in spine and trauma in China.

“ This is an important milestone in the field of digital surgery. We will work to create an open innovation ecosystem, promote digital and technological medical innovation, provide insights for the Chinese medical experience, and help upgrade the health industry, so that more people can access more convenient and better medical services to achieve the great vision of 'Healthy China 2030'.”

**Will Song, Chairman, Johnson & Johnson China, and President, Johnson & Johnson Medical China (Shanghai) Ltd.**

- **Mobile education facility for healthcare professionals (HCPs):** For many HCPs who cannot travel for training, the Johnson & Johnson Institute Mobile Lab, an 18-wheeler truck equipped with the latest in surgical simulation training, travels to them. The Mobile Lab teaches orthopaedic trauma, joint reconstruction, spine, sports and craniomaxillofacial procedures in a setting that simulates the Operating Room, offering participants hands-on experience with relevant instrumentation and techniques. Over the course of 2019, the Mobile Lab visited 30 cities across the United States and trained 466 HCPs who otherwise might not have had access to a similar educational opportunity.

## Intellectual Property

GRI J&J19-7

We believe that flexible intellectual property (IP) management is a key element to effective and sustainable access to medicines, especially in low-income and low- to middle-income countries. IP systems encourage innovation and allow us to invest in new technologies, fund R&D, and bring transformational medicines to the market. We work with international funders, local governments and non-governmental organizations to develop approaches that benefit patients in need while continuing to uphold the value of IP in all parts of the world. For more information, see our [Position on Intellectual Property](#).

**Advancing public policy on patents to benefit patients:** In 2019, the Subcommittee on Intellectual Property of the U.S. Senate Judiciary Committee heard testimony from healthcare experts on proposed reforms to the subject matter eligibility requirements defined in Section 101 of the Patent Act. As current case law relating to patent eligible subject matter is both confusing and complex, the reform efforts seek to restore clarity and predictability to these requirements. Johnson & Johnson, the world's largest healthcare company and a transformational medical innovator, believes that clarity and predictability of the patent system are essential for ongoing drug development. Robert DeBerardine, Chief Intellectual Property Counsel, Johnson & Johnson, provided testimony to the Subcommittee at their hearings in June. Mr. DeBerardine testified: "Without the investment of larger pharmaceutical and biotechnology companies, basic research could not be transformed into safe and effective treatments that benefit patients. We strongly support the approach taken in the proposal to fix our current patent eligibility problem."

## Universal Health Coverage

We believe that every individual should have access to quality, affordable and reliable essential healthcare services; no one should have to forgo treatment or be forced into poverty because of the cost of care. We are advocates for global Universal Health Coverage (UHC) and are committed to helping turn the promise of UHC into reality. We believe that tailored strategies that align local needs, resources and market conditions must be part of the solution. For more information, see our [Position on Universal Health Coverage](#).

### Financing and collaboration for UHC

Sustainable financing is a critical element of achieving UHC, requiring alignment of both government social health insurance and private health insurance. To support this goal, we developed a methodology for engaging with private health insurance (PHI) companies to help shape policy to promote access to innovative medicines and surgeries that may not be covered by government health insurance policies. This process was most successful in 2019 in China, Egypt, Indonesia and Malaysia. Each country advanced work with PHI companies to establish new insurance policies. In Brazil, a new methodology was tested to assess the impact of potential changes in regulation in PHI on patient access and business. In Egypt, we collaborated on a study to evaluate possible collaboration between PHI and pharmaceutical companies. The conclusions of this study will help inform positive future approaches in Egypt.

### 2020 GOAL PROGRESS

More than 800 engagements conducted with government officials and other partners in Brazil, China, Malaysia, Mexico, Russia and Rwanda in 2019.

Existing pilot projects to expand healthcare access and coverage in Brazil, China, Colombia, Indonesia, Mexico, Philippines, Russia and Rwanda are ongoing.

Two new pilots launched: a private health insurance project in Malaysia to expand access to innovative medicines and premium surgical products; and a project in China to improve the case finding and diagnosis of TB, including drug-resistant TB.

**On track**

[View scorecard](#)

### SDG COMMITMENT PROGRESS

**5-year Target:** 50 million people will have had access to safe, essential, and timely surgical care.

**2016-2019 Progress:** 56.2 million beneficiaries (112% of overall goal achieved).

**Exceeded**

[View scorecard](#)

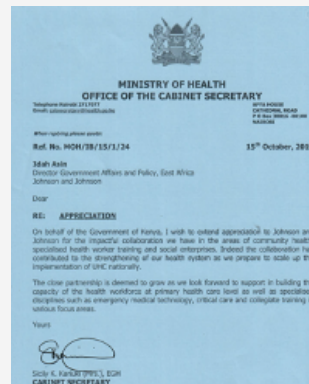


## Playing a meaningful role to advance UHC in Kenya

In 2019, Johnson & Johnson was recognized by the Kenya Ministry of Health for its “impactful collaboration,” notably in the areas of community health and specialized frontline health worker training. Emphasizing the pivotal role “health for all” plays in global prosperity, Uhuru Muigai Kenyatta, President of the Republic of Kenya, declared that his country would lead the way by achieving UHC by 2022, eight years ahead of the 2030 Sustainable Development Goals (SDGs) deadline. Key elements of the government’s strategy to achieve UHC include building resilient and responsive primary health systems and investing in preventative and promotive community healthcare. Johnson & Johnson’s efforts in Kenya in 2019 and prior years include collaborating with the Kenya Ministry of Health to:

- Co-create Community Health Units for Universal Health Coverage (CHU4UHC) Platform to integrate community health workers (CHWs) formally into the health system and to deliver preventative healthcare. The CHU4UHC Platform created strategies based on [World Health Organization guidelines](#) to formally integrate CHWs into health systems and build sustainable community health systems. The Platform focuses on developing policies for training and formalizing CHWs, coordinating funding sources, and implementing real-time digital reporting systems to track data for impact.
- Develop a platform for nursing and midwifery in Kenya, leveraging our experience with the [U.S. nursing campaign](#) and successful programs through our Johnson & Johnson Foundation, such as NurseConnect in South Africa with 6,458 new nurses registered on the platform, to establish policies for nursing education and service.
- Launch the [Oncology Nursing Training Initiative](#) to strengthen oncology health systems in Kenya that are facing a health workforce shortage amid a significant rise in cancer deaths. Only 36 nurses in the country are currently trained in oncology, while the need is for at least 500. The oncology initiative leverages the cross-sector competencies of Johnson & Johnson companies and local partners to help strengthen the capacity of health systems to improve quality management of cancer throughout the cancer pathway: prevention, diagnosis, treatment, care and support.

For more information on our work supporting frontline health workers, see the section on [Strengthening Health Systems](#).



## Progressing dialogue around the world to promote UHC

- **Indonesia:** In 2019, Johnson & Johnson Indonesia sponsored a policy dialogue on “Innovative Financing to Achieve Sustainable National Health Insurance in Indonesia.” We partnered with the Indonesian Parliament’s Health Caucus to host the dialogue in collaboration with the Ministry of Health and Ministry of Finance. Participants of the discussions comprised members of parliament, health officials, representatives of various public agencies, hospital associations, leading Indonesian academicians and potential financing partners. The forum generated action plans to help shape domestic resource mobilization using the private sector to build sustainable UHC in Indonesia.
- **Singapore:** Given the Singapore Ministry of Health’s bold vision to transform its healthcare system from fee-based funding (per visit) to value-based funding (per condition) to improve accessible and affordable quality healthcare with a focus on health outcomes, in 2019, Johnson & Johnson Singapore hosted its third Value-Based Healthcare Seminar. The seminar brought together over 200 of Singapore’s leading public and private stakeholders from the healthcare system to discuss how best to scale value-based healthcare aligned with the stated vision and supporting UHC in Singapore.
- **Brazil:** As the interest in implementing value-based healthcare models continues to grow, Johnson & Johnson Medical Devices in Brazil promotes multi-stakeholder discussions and events in the country. The largest of these events was the International Symposium on Value-Based Healthcare (VBHC) at the Latin-American Forum on Quality and Safety in Healthcare (fifth edition). Johnson & Johnson figured center-stage at this event with a symposium on VBHC that included the participation of a senior representative of the Agência Nacional de Saúde Suplementar as well as Johnson & Johnson speakers discussing multiple angles of VBHC implementation and policy implication in advancing a more sustainable healthcare system.

## New public-private collaboration to accelerate UHC in Africa

At the turn of the year, we announced, together with four leading peer companies (Eli Lilly and Company, GSK, Novartis and Pfizer) and the Bill & Melinda Gates Foundation, an unprecedented program to increase access to community-based primary healthcare for nearly 1.7 million people in up to six African countries, as part of our shared commitment to accelerate UHC in Africa. The partnership will work with two nonprofits that are expert in the community health worker model, **Last Mile Health** and **Living Goods**. Each of the six investors will contribute USD \$1.5 million total over the next three years. This funding will be matched by **The Audacious Project**, adding up to an \$18 million total investment that will cover:

- **Investing in community health worker training:** Community health workers can yield a 10:1 return on investment because of a healthier population, increased employment, and lower odds of health crises, and they represent an efficient and effective way to advance UHC. The partnership will support the training and deployment of 2,500 digitally enabled community health workers, reaching nearly 1.7 million people by 2022. Community health workers will be trained and deployed in Kenya, Liberia, Malawi, Uganda, and up to two additional countries. For more details, see the section on **Strengthening Health Systems**.
- **Supporting Last Mile Health's Community Health Academy:** The Academy is an open source, digital learning platform for community health workers and leaders of health systems used worldwide. Training curricula for community health workers initially focus on diarrheal diseases, family planning, malaria and pneumonia, with further modules planned for the future.
- **Supporting Living Goods' new Kenya Performance Lab:** With the help of the partnership's expertise and personnel, the Lab will advance the development of mobile-based tech innovations to improve community health worker productivity and strengthen supply chains. Initially, innovations will be introduced in Kenya and then scaled to other countries.

## Patient Engagement

Patients have always been at the center of what we do. However, the role of the patient is changing rapidly; patients are increasingly involved, educated and engaged in healthcare. At Janssen, we are adapting to this change by engaging directly with patients and caregivers to develop solutions that better meet needs and improve patient outcomes, and are available to patients sooner.

We define patient engagement as partnering with patients and caregivers and systematically interacting directly with them throughout the product lifecycle to accelerate research and develop patient-inspired innovation and solutions beyond the product. Our strategy includes four pillars:

- **Differentiated higher-value treatments** that lead to better outcomes by acting on the patient's perspective early and across the lifecycle;
- **Inclusion of the patient's voice** in clinical trial protocols to improve patient experience and accelerate research;
- **Collaboration with patients** to develop tailored solutions to empower patients in managing their disease; and
- **Shaping regulatory policies** and the field of patient engagement to enhance the patient's voice globally.

“ Our goal is embedding patient engagement into our business. This means making sure we have direct and ongoing dialogue with patients, and that we better understand patient needs, and think of and act on patients' perspectives all the time.”

**Katherine Capperella, Global Patient Engagement Leader, Janssen Pharmaceutical Companies of Johnson & Johnson**

## Progressing a range of patient engagement initiatives

**Patient insights have changed clinical trials:** To date, approximately 2,000 patients and caregivers from more than 30 countries have been a part of the Janssen Patient Voice in Clinical Trial program, which enables patient insight into clinical trial design, and is now a formal step in developing clinical studies. Changes made include:

- Reordering the sequence of needed tests and providing rest periods in between;
- Modifying wording in Informed Consent Forms and revising inclusion/exclusion criteria;
- Reducing certain procedures and/or better explaining the rationale for certain procedures; and
- Providing additional support, such as transportation to clinical sites.

### Highlight

In 2019, PatientView, a global survey organization, released its annual Corporate Reputation of Pharma report, summarizing the views of 1,500 patient advocacy groups across 78 countries on how pharmaceutical companies respond to matters most important to patients. Janssen ranked number one of the largest 13 pharmaceutical companies evaluated and third overall of 46 companies evaluated.

**Device design insights:** The U.S. Food and Drug Administration approval of SPRAVATO (esketamine) in 2019 is not only a breakthrough for patients with treatment-resistant depression (TRD), it's also a revolution in Janssen work with patients. See [R&D: Pharmaceutical](#) section.

During the SPRAVATO clinical trials with 1,700 patients, our teams collected insights directly with patients to inform the design of its unique nasal spray dispenser. Specifically, as a result of patient suggestions, we added a depth guide and a dose indicator, and adjusted the dispenser design. As a result, the approved medicine was more closely in line with patient needs, supporting effective use and expected better results for patients.

**Patient advocacy:** In 2019, our patient engagement teams across the world addressed several forums, including the Patient Engagement Open Forum in Brussels, where Janssen also held "best practice" patient-centricity workshops, and Eyeforpharma's Patient Summit Europe, as well as collaboration with Patient Focused Medicines Development and the European Patients' Academy.

**Using patient input to improve safety:** The Johnson & Johnson Consumer Experience Center (CxC) is an internal market research partner that can elicit feedback from consumers, patients and healthcare professionals during the product development process. We used CxC to obtain patient perspectives on involvement in safety matters. Activities included three focus groups in late 2018 to identify patient and caregiver perspectives and obtain real-life examples from patients. In 2019, the findings were integrated into patient engagement safety plans, including, for example, patient reporting of side-effects.

### Using technology to enhance patient engagement

**Enhancing the informed consent process:** We also use eConsent, which deploys modern technology and multimedia to create an interactive informed consent experience for potential trial participants. As a key contributor to the [TransCelerate BioPharma eConsent](#) initiative, Janssen pioneered the implementation of eConsent in trials in several countries and languages, some of which were ongoing in 2019, and has helped advance cross-industry adoption.

**Promoting online health advocates:** In 2019, Janssen U.S. hosted its fifth annual HEALTHEVOICES leadership conference that unites and empowers online patient advocates. In 2019, in Texas, we brought together 140 advocates representing more than 35 health communities for skill-building, networking and empowerment. HEALTHEVOICES continues to be the only event dedicated exclusively to strengthening online health advocates. Attendees engaged in sessions from how-to workshops on content creation and podcasting to discussions on mental health and parenting with a chronic illness. Many advocates shared their experiences on social media—early on the first day, #HealtheVoicesLIVE was already trending nationally and #HealtheVoices19 was trending globally.



Advocates representing more than 35 health communities at the fifth annual HEALTHEVOICES leadership conference in 2019.

# Contributing to Community Health

GRI 201-1, 203, 203-1, 203-2, 413, 413-1, J&J19-11

At Johnson & Johnson, we actively engage in our communities across the globe. Beyond our efforts to **tackle the world's toughest health challenges** and **enhance access to healthcare**, we go the extra mile to support the people at the front lines of delivering care, so that communities can more effectively address the health needs of the world's most vulnerable people.

Our Global Community Impact (GCI) organization—through funding from the nonprofit Johnson & Johnson Foundation and other functional divisions and operating companies across the three Johnson & Johnson business segments—drives programming for our community giving, social impact and other philanthropic initiatives around the world.

Our GCI programs and solutions are developed by a global leadership team in collaboration with regional or country-level colleagues. We also work across multiple partnerships, leveraging the strengths of many to maximize the benefit to the communities we serve. For more about employee volunteering, see the **Empowering People** section.

## Strengthening Health Systems

SASB HC-BP-240a.1

In 2019, we took more steps in our significant long-term commitment to strengthening the front lines of healthcare, driven by our Global Community Impact teams and maintained by grants through the **Johnson & Johnson Foundation**.

### A new center to unite our efforts to support the front lines of healthcare

During the United Nations General Assembly in September 2019, we launched the **Center for Health Worker Innovation** (CHWI) to address the health worker shortage in healthcare today. The Center leverages the unique insights of Johnson & Johnson with funding through grants from the Johnson & Johnson Foundation to reduce the health worker coverage gap, improve the quality of care through a thriving frontline health workforce,

and strengthen primary and community-based health systems. CHWI focuses on nurses, midwives and community health workers, who are the first point of contact in the health system for most patients and communities, and are critical to achieving global health priorities, including universal health coverage. Priorities for CHWI include working to ensure frontline health workers are supported through:

- **Respect & Recognition:** being valued by the communities they serve, and accredited and compensated by government and health systems;
- **Training & Education:** gaining the skills and capabilities required to deliver their services with confidence and quality;
- **Leadership & Management:** provided with opportunities to grow as leaders and effective managers;
- **Wellbeing & Resilience:** ability to prioritize their own health and access resources to manage the stress and demands of the job; and
- **Connection & Integration:** helping health workers connect to each other, to communities and to health systems.

By 2030, the Center intends to support one million nurses, midwives and community health workers, and strengthen health systems across five continents.

In 2019, CHWI launched its first regional intervention hub in partnership with the Government of Kenya, co-creating the Community Health Units for Universal Health Coverage (CHU4UHC) Platform to integrate community health workers formally into the health system. Recognizing the role of community health workers in delivering preventative and promotive healthcare, CHU4UHC is a key strategy toward the country's ambitious goal of achieving universal health coverage by 2022. For more details, see the section on **Universal Health Coverage**.

## SDG COMMITMENT PROGRESS



**5-year Target:** 60 million women and children will have received support and tools to enable a healthy future.

**2016-2019 Progress:** 40.6 million women and children (68% of overall goal achieved)\*

⊖ **Off-track**

[View scorecard](#)

\* This five-year target is predominantly supported by Johnson & Johnson Foundation grants facilitated by the Global Community Impact organization. We are reporting the target as off track due to a shift in our strategy in 2019 which transitions from programs reaching consumer groups directly to programs targeting frontline health workers (i.e., nurses, midwives, and community health workers). We believe this transition will have greater, more far-reaching and sustainable impact on women's and children's lives in the longer term. The COVID-19 pandemic has underscored the critical needs facing our frontline health workers and their unique ability to address the healthcare needs of our society, and in particular, the underserved. Our **new commitment** acknowledges the pivotal role that health workers play in providing essential services to these groups. As such, the programming and tracking toward the original goal are transitioning, with fewer programs directly reaching women and children and more programs reaching the health workers who serve them.

Even with this transition, by the end of the five-year goal period, we estimate that we will have reached nearly 50 million women and children with support and tools to enable a healthy future (or over 80% of the overall target).

We are proud to share that within our Global Disease Challenges goal, our VERMOX (mebendazole) Donation Program has improved the health of hundreds of millions of children. Those targets are reported separately.

### Advancing training and education for frontline health workers

Clinical training to ensure nurses, midwives and community health workers have the skills and capabilities to deliver quality care with confidence has long been a priority in our programs to advance community health. The programs we have continued to support in 2019, include:

- **Aga Khan University School of Nursing and Midwifery**, where we have provided scholarships to nursing and midwifery students since 2001, enabling graduates to stay and work across health facilities in the East Africa region. Learn more about this program [here](#).
- **Born On Time**, a nonprofit that works closely with local governments and stakeholders through preterm birth prevention across communities and local health facilities in Bangladesh, Mali and Ethiopia. Born On Time has trained thousands of nurses, midwives and community health workers to date. The program is poised to far exceed its initial five-year goals. See this [video](#).
- **Safe Birth Even Here**, as part of our five-year (2016 – 2020) partnership with the United Nations Population Fund in Liberia, Haiti and Pakistan aimed at reducing maternal and newborn deaths in humanitarian crises and fragile situations. This initiative has provided emergency obstetric and newborn care training to hundreds of midwives, and thousands of women and girls have received health services.
- **UNICEF** global partnership, including initiatives to train midwives in India, the Philippines and Vietnam. See [this video](#).

In 2019, we established a new initiative for nurse education financing in Indonesia—a first revolving loan fund to support higher education for Indonesian nursing students to finance an estimated 2,000 healthcare students in the next 10 years. The loan, when repaid, is structured to provide future financing for new nursing cohorts.

### Advancing leadership and management training for frontline health workers

We also partner with programs that help build leadership and management skills for health workers across health systems, so they can grow professionally and become effective agents of change. More than 2,000 health system leaders, community health supervisors, primary care managers, and individual frontline health workers have received training through Johnson & Johnson Foundation-supported programs such as:

- **The Sigma North America and Africa Maternal-Child Health Nurse Leadership Academies:** Since 2002, Sigma has trained nurses in leadership and management skills, and those nurses have in turn improved the quality of care for women and young children in North America and Africa.
- **The UCLA/Johnson & Johnson Health Care Executive Program** has helped build the entrepreneurial competence of executives from community-based healthcare and AIDS service organizations since 2002, enhancing their capacity to expand the quality and quantity of care, treatment and support delivered to underserved and vulnerable populations around the country.
- **The Innovating Health for Tomorrow program and the Middle East Health Leadership Programme** in partnership with INSEAD have, since 1998, helped senior healthcare leaders across Europe, Middle East and Africa play a vital role in transforming health systems.
- **The Management Development Institute**, which has trained health leaders from across Africa since its inception in 2006, focused for the first time in 2019 on training health leaders from the surgical field.
- **Spark Health Africa's** transformational leadership model is helping public-sector teams in Kenya, Uganda and Zimbabwe build and reinforce more effective health systems to achieve specific health goals, including universal health coverage.

#### 2020 GOAL PROGRESS

## 74,000

Together with partners, trained 74,000 birth attendants, who assisted in 6 million births.

Exceeded

[View scorecard](#)

#### 2020 GOAL PROGRESS

## 12 million

In partnership with Lions Club International, supported delivery of 12 million eye care screenings and corrective treatments (spectacles) to 120,000 underserved children.

Achieved

[View scorecard](#)

#### 2020 GOAL PROGRESS

BAND-AID® Brand Adhesive Bandages activated the partnership with (RED) to help fund a diverse range of lifesaving HIV/AIDS programs across eight countries in sub-Saharan Africa. In prior years we activated partnerships with JOHNSON'S, LISTERINE, and STAYFREE.

On track

[View scorecard](#)



### Using technology to connect frontline health workers

We promote the use of digital technology to connect frontline health workers to each other, to communities and to health systems. In 2019, the Johnson & Johnson Foundation continued to support several digital health programs, for example:

- We invested in TNH Health to improve healthcare in low-income populations in Brazil through artificial intelligence (AI)-powered chatbots designed to enhance primary care for pregnant women as well as patients with non-communicable chronic diseases such as diabetes, hypertension and obesity.
- We partnered with South Africa’s pioneering mobile messaging program, MomConnect, celebrating its fifth anniversary in August 2019. To date, the partnership between the South African government, Johnson & Johnson and others has supported millions of mothers to care for themselves and their children.
- We rolled out mobile messaging initiatives in China (Healthy Family App in partnership with UNICEF China and others) and in Uganda (FamilyConnect in partnership with the Uganda Ministry of Health).
- We partnered with Medic Mobile to launch its Community Health Toolkit to help large community healthcare systems rapidly adopt ready-to-scale technologies and strategies supporting the delivery of health services by health workers around the world.

Beneficiaries\* of our digital health grants, who were connected to the health system via mobile technology included:

**6,703** frontline health workers

**2,209,525** community members

\* Includes all the direct beneficiaries and the healthcare professional beneficiaries.

### A new impact venture fund to support communities

In 2019, we launched our new Johnson & Johnson Impact Ventures (JNJIV)—an impact investment initiative within the **Johnson & Johnson Foundation** that targets innovation, including digital health platforms and AI technologies to support the access and delivery of quality and affordable care. JNJIV has committed \$5 million to five impact investments in Kenya, the UK and Southeast Asia that have been 80% executed; \$1 million dollars was granted in seed funding for impact investments.

JNJIV is building a global portfolio of innovation social enterprises and startups, focusing on addressing the needs of low-income populations. A selection of our investments to date includes:

- **Jacaranda Maternity**, a maternity hospital focused on providing affordable, patient-centered care to urban mothers in Kenya;
- **Flare**, a Kenya-based emergency response technology platform that connects the largest network of first responders and has reduced emergency response time from an average of 162 minutes to 20 minutes;
- **WaterEquity**, a fund that invests in social enterprises and microfinance institutions that deliver access to clean water to homes and communities across Southeast Asia and is expected to provide 4.5 million people with water access over its seven-year term; and
- **TNH Health**, an AI-enabled public telehealth platform in Brazil to monitor health and build resilience.

“It is my hope that the launch of Johnson & Johnson Impact Ventures will help galvanize further private funding towards bridging the health gap, improving communities globally and ultimately making the world a healthier place.”

**Joseph Wolk, Executive Vice President, Chief Financial Officer, Johnson & Johnson**



Johnson & Johnson-supported frontline health workers providing maternal health services in Zanzibar, Tanzania.

Our Global Community Impact team with grants from the Johnson & Johnson Foundation partnered with 183 organizations to advance the training, skills-building and leadership development of 75,200 health workers in 54 countries, including:

**17,611** nurses

**7,315** midwives

**19,936** community health workers

## Nursing-led innovation

Johnson & Johnson seeks to further strengthen our 120-year commitment to the nursing profession by advocating for elevating and empowering nurses as innovative leaders who improve patient outcomes and strengthen health systems. Read more about our programs to champion nurse innovation at [nursing.jnj.com](http://nursing.jnj.com).

Some highlights from 2019 include the launch of the **Johnson & Johnson Nurse Innovation Platform**, which incorporated the following:

**Johnson & Johnson Nurses Innovate QuickFire Challenge Series:** The **Johnson & Johnson Nurses Innovate QuickFire Challenge Series** invites nurses worldwide to share new ideas for treatments, protocols and devices that aim to profoundly change human health. Awardees can earn grants, mentorship and coaching from **JLABS**, our open-innovation ecosystem for healthcare entrepreneurs, and others from the Johnson & Johnson Family of Companies to help bring their ideas to life. In 2019, we launched two Nurses Innovate QuickFire Challenges and were delighted to announce four innovative nurses as awardees:

- **Lauren Wright**, MSN, PhD student, AGNP-BC, created **The Natural Nipple**, an innovative solution that improves maternal and child health outcomes by supporting prolonged breastfeeding.
- **Abby Hess**, APRN, DNP, invented a video game app that helps children relax and prepare for surgery. The game is controlled by the child breathing into an anesthesia mask.
- **Debbie Kantor**, APRN, Co-Founder at HERO Medical, created the **HERO Bandage**, a simple one-piece wound care dressing for the head or limbs designed to improve the self-care and monitoring of chronic wounds.
- **Chao Hsing Yeh**, PhD, RN, Associate Professor at Johns Hopkins School of Nursing, developed a new treatment based on traditional Chinese medicine acupuncture that aims to provide a non-invasive, self-administered and nonpharmacological treatment for pre-, intra- and postoperative pain.

**SONSIEL Nurse Hackathon:** This past November, Johnson & Johnson was the proud sponsor of the inaugural **SONSIEL Nurse Hackathon**, in partnership with the Society of Nurse Scientists, Innovators, Entrepreneurs & Leaders (SONSIEL), the leading nursing organization for nurse scientists, innovators and entrepreneurs. This event brought over 200 nurses from across the country together for an inspiring and energizing weekend of innovation, networking and problem solving aimed at finding solutions to the challenges nurses experience every day as they deliver care to patients.

**Johnson & Johnson Nurse Innovation Fellowship:** Launched in 2019 in partnership with the Center for Creative Leadership and Nurse Approved, the **Johnson & Johnson Nurse Innovation Fellowship** aims to strengthen the leadership and entrepreneurial skills of inspired and innovative nurses. In the two-year program, our inaugural cohort of 12 Fellows will receive individualized mentoring, complete action learning projects, and develop lifelong connections to a wider network of nurse innovators.

## Global signature partnerships and platforms

We maintain several global partnerships and platforms that advance healthcare and improve people's lives. In 2019, we engaged with our partners through strategic investments, and through our own platforms, around specific needs and events. These included:

**CARINGCROWD:** To help enable large-scale change for good, we created and operate **CARINGCROWD**, a crowdfunding platform for global public health. Anyone anywhere in the world can support or lead campaigns on the platform. An independent expert panel reviews projects, and funds raised go directly to vetted nonprofits. Since its launch, CARINGCROWD has helped raise millions of dollars for public health causes and touched almost one million lives. See overall impacts [here](#). Examples of nonprofits that use CARINGCROWD to touch the lives of those who need it most are:

- **African Mothers Health Initiative (AMHI):** AMHI provides home-based nursing care to vulnerable babies and postpartum mothers to save lives in rural areas of Malawi, where maternal and infant mortality rates are among the highest in the world.

- **Women's Global Education Project (WGEP):** With its internationally recognized, award-winning approach to women's empowerment, WGEP works to empower women and girls through education to build better lives and foster equitable communities. When girls are educated, their families are healthier, they wed later, and they have more opportunities to generate income.



WGEP provides health education workshops to adolescent girls in Kenya and Senegal to empower every girl to stay in school and live up to her life's potential.

Since its launch, CARINGCROWD has generated:

**\$2,023,684** pledged by individuals

**\$1,249,891** matched by Johnson & Johnson

**423** successful campaigns for health projects in

**40** countries for **129** nonprofit beneficiaries

## About Johnson &amp; Johnson

## Our Approach

## Better Health for All

## Responsible Business Practices

## Environmental Health

## Data &amp; Downloads

**Save the Children:** Johnson & Johnson announced a pledge of \$5 million to Save the Children's Centennial Commitment in September 2019, directed at providing comprehensive mental health and psychosocial support across different phases of humanitarian response, including for health workers. This continues our longstanding partnership with Save the Children, supporting a range of programs such as newborn survival, support for refugees, response to humanitarian crises and joint advocacy.

**UNICEF:** Johnson & Johnson and UNICEF have worked together to strengthen health systems in 20 countries and territories for three decades. This year we continued our global partnership, including our \$10 million pledge from 2018, to build the capacity of frontline health workers to improve access and quality of care for pregnant women, mothers and their newborns including among indigenous communities in Vietnam and the Philippines.

**Johnson & Johnson One Young World Program:** Since 2013, we have partnered with One Young World to provide young leaders in healthcare, both within and outside our organization, with unique opportunities to contribute to solving some of the world's most pressing health issues. In 2019, for the third consecutive year, we collaborated with One Young World to offer scholarships to 12 aspiring young leaders working on the front lines of delivering care across the globe, including a chance to participate in a six-month Global Community Impact leadership and capacity-building program.

**Operation Smile:** For more than 30 years, Johnson & Johnson has helped Operation Smile with financial and product contributions to provide smiles to children around the world born with cleft lips and palates. In 2015, we made a five-year \$25 million commitment to advancing Operation Smile's cause, and as part of this, in 2019, we held our annual Smile Week, supporting fundraising through a range of initiatives around the world with the end goal of improving possibilities of surgery access for children.

**Global Citizen:** Since 2016, we have partnered with social action platform Global Citizen to address public health challenges. In 2019, as the Major Health Sponsor, we again had a strong presence at the Global Citizen Festival in New York on World AIDS Day. At this event, Dr. Paul Stoffels, Vice Chairman of Johnson & Johnson's Executive Committee, and Chief Scientific Officer, announced that we were commencing an HIV vaccine study in men who have sex with men, and in transgender populations. Along with Dr. Stoffels at the Festival, celebrity Laverne Cox and two nurses from our *5B* documentary film celebrated the important work done on Ward 5B at San Francisco General in the early 1980s to advance the way patients with HIV and AIDS are cared for. Read more about these events in our section on [Making HIV History](#).

**Donate a Photo:** This is our long-running program to connect people to nonprofits, increasing awareness and resources for deserving causes including women's and children's health.

**Supporting the Special Olympics:** Through our Janssen business in Europe, we established a partnership with Special Olympics Belgium and the Netherlands to raise awareness about life with a disability. We hosted a selection of Special Olympics athletes to challenge employees to take part in sports activities on Challenge Day, as part of the Play Unified Campaign.



Some of the Johnson & Johnson young change-makers during the 2019 One Young World Summit in London, UK. The Company's theme for its 2019 young leadership capacity-building program was focused on "Build your Resiliency for Change: Adapt, Recover, Grow."

### Our giving

At Johnson & Johnson, inspired by **Our Credo**, we use our scale and resources for good, contributing to many causes around the world to help advance health and improve people’s lives through targeted initiatives providing local support, engaging employees in our communities, supporting them in cases of emergencies, and donating products for a range of needs. For details of our approach, see our **Position on Community Impact**.

### Product donations and financial support

In the United States, we also support independent initiatives by donating medicines and funding to the Johnson & Johnson Patient Assistance Foundation Inc. (JJPAF), an independent, nonprofit organization committed to helping eligible patients without insurance coverage receive prescription products donated by Johnson & Johnson operating companies. In 2019, we donated \$1.2 billion in free product and financial support to JJPAF, enabling the Foundation to provide medicines at no cost to approximately 82,000 patients.

Also, in the United States, in 2019, we joined other leading pharmaceutical companies to create the Medicine Assistance Tool (MAT) program, connecting patients, caregivers, and providers with hundreds of different financial assistance programs that may help them afford their medicines. MAT also provides patients with more transparency about medicine costs, helping them to make more informed healthcare decisions.

### Our Performance

#### Our Giving

	2019	2018	2017
Total products and cash contributed globally (millions)	<b>\$1,806<sup>†</sup></b>	\$1,612	\$1,469
Products contributed globally (millions)	<b>\$1,383<sup>†</sup></b>	\$1,299	\$1,242
Cash contributed globally (millions)	<b>\$423<sup>†</sup></b>	\$313	\$227

<sup>†</sup> See PricewaterhouseCoopers LLP (PwC’s) Report of Independent Accountants.

### Disaster Preparedness & Relief

We work with trusted partners on the front lines of care to help communities by coordinating product donations, and through programs that help communities recover, rebuild and become resilient. See our **Position on Disaster Relief**.

In 2019, we allocated \$0.7 million in cash and \$36.7<sup>10</sup> million worth of Johnson & Johnson products in support for immediate mid- and long-term response to crises and natural disasters, including Cyclone Idai response in Mozambique, Malawi and Zimbabwe, and Hurricane Dorian response in the Bahamas and in Australia, following devastation caused by widespread bushfires. Our donations were made through nonprofit partners to support the provision of products and supplies—and also medical teams in some cases.

### Supporting Australia

Like many across the world, Johnson & Johnson was deeply moved by the scale of the devastating bushfires that swept Australia in 2019. To support local communities in Australia, we gave \$600,000 in financial support to the Australian Red Cross and the Society of St. Vincent de Paul; matched donations by employees; and gave over \$1.5 million in consumer personal care and hygiene products to Foodbank Australia in addition to our ongoing product donation program. We also provided uncapped paid leave for our people who volunteered with emergency services in response to the bushfire crisis.

# Innovating for Better Health

GRI J&J19-10

Over the past 130 years, we've learned a lot about how to innovate and adapt to evolving health needs—from surgical breakthroughs, to tear-free shampoo, to modern treatments for HIV/AIDS and tuberculosis. That knowledge and experience informs our innovation, which is motivated by the need to find solutions for everyday health challenges and life-threatening conditions; answers to new health threats as they emerge; and access to medicines, treatment and care for all. With our global reach comes a responsibility and a unique ability to leverage our deep expertise and extensive partnerships to unlock the full potential of science and technology to improve health and wellbeing in response to these needs. Our progress is measured by the positive impact we have on the health—and lives—of people, communities and society in general. We hope to build a future where everyone's best health is within reach.

We pursue breakthroughs in science and technology in our own laboratories and through our powerful network of scientists and entrepreneurs all over the world. The diagram to the right shows our innovation vision and four innovation approaches across our three business segments.

**200** active collaborations and partnerships— from discovery to late-stage pharmaceutical R&D development

**\$11.4 billion** invested in R&D in 2019, an increase of 5.4% over 2018

**17.6%** of Johnson & Johnson employees involved in R&D activities<sup>11</sup>



Pharmaceutical



Medical Devices



Consumer Health

## R&D: Pharmaceutical

Our pharmaceutical R&D is focused in areas of medicine where we can make the most meaningful impact. These include: Cardiovascular & Metabolism, Immunology, Infectious Diseases & Vaccines, Neuroscience, Oncology, and Pulmonary Hypertension. We apply our expertise in small molecules, monoclonal antibodies, cell and gene therapies, RNA therapeutics and vaccines. We study biological pathways that underpin more than one disease to help speed development of new therapies for multiple conditions. We harness cutting-edge analytical tools to analyze sources of data to help us better identify targets, improve the probability of success in advancing promising candidates, reduce research timelines, and evaluate our medicines more efficiently and effectively than ever before.

We progressed Pharmaceutical R&D on several fronts in 2019, in addition to those noted in our sections on [Tackling the World's Toughest Health Challenges](#) and [Enhancing Access to Healthcare](#).

“ Our highly differentiated R&D strategy focuses on both disease areas and biological pathways, embraces evolving science and technology, drives data sciences into all aspects of discovering and developing transformational medicines, and reinforces our strong position as a partner and accelerator at the center of the biopharmaceutical ecosystem.”

**Mathai Mammen, M.D., Ph.D., Global Head of R&D, Janssen Pharmaceutical Companies of Johnson & Johnson**

## First new mechanism of action in decades to treat major depressive disorder

The U.S. Food and Drug Administration (FDA) and the European Commission both approved SPRAVATO (esketamine) CIII nasal spray, in conjunction with an oral antidepressant (specifically a SSRI or SNRI in the EU), to treat adults with treatment-resistant depression (TRD). The medicine is administered as a nasal spray that is absorbed by the lining of the nasal passages and into the blood stream. To support responsible use of the medication while ensuring patient access, SPRAVATO was launched with a controlled distribution model, including additional monitoring and comprehensive risk mitigation strategies. We have invested more than eight years in a comprehensive development program encompassing 28 clinical trials to bring SPRAVATO to the millions of adults who have been living with the burden of TRD for far too long.

### Highlight

Janssen Research & Development announced a collaboration with the University of California, Berkeley and the University of California, San Francisco to expand data science research in healthcare. The program facilitated by Johnson & Johnson Innovation will recruit data scientists to research high-impact, data-science projects in healthcare with the goal of inspiring data-driven approaches to improve health and develop the next generation of leaders in healthcare data sciences.

## Our Performance

Number of selected NME Pharmaceutical Pipeline – Recent Approvals/Potential Filings through 2023 (as of January 22, 2020)*	19
Number of new Janssen medicines approved by U.S. FDA over the past five years**	7
Number of U.S. FDA Breakthrough Therapy Designations received over the past five years**	7

\* Filings/approvals assumed to be in the U.S. and EU through 2023 unless otherwise noted. This information is accurate as of the date hereof to the best of the Company's knowledge. Refer to our [Late Stage Pipeline](#) for our Pharmaceutical business segment.

\*\* U.S. FDA. "New Drug Therapy Approvals 2019."

Notes: Number reflects NME approvals achieved by current Janssen Pharmaceutical Companies of Johnson & Johnson.

## A wide range of transformational medicine advances in 2019

- New multiple myeloma medicine approval:** The U.S. Food and Drug Administration (FDA) approved DARZALEX (daratumumab) in combination with bortezomib, thalidomide and dexamethasone (VTd). This approval represents the first and only FDA-approved biologic therapy indicated for newly diagnosed patients who are eligible for a stem cell transplant.
- Promise for patients with multiple myeloma:** The FDA granted Breakthrough Therapy Designation for the BCMA CAR-T Therapy JNJ-4528. Multiple myeloma is an incurable blood cancer that starts in the bone marrow and is characterized by an excessive proliferation of plasma cells, affecting tens of thousands of individuals.
- New leukemia medicine approval:** The FDA approved IMBRUVICA (ibrutinib) in combination with obinutuzumab in patients with chronic lymphocytic leukemia/small lymphocytic lymphoma (CLL/SLL), the most common form of leukemia in adults. This is the first approval for a non-chemotherapy combination regimen for treatment-naïve patients with CLL/SLL and marks the 10th FDA approval for IMBRUVICA since November 2013.
- First-of-its-kind bladder cancer treatment:** The FDA granted accelerated approval for BALVERSA (erdafitinib) for the treatment of adults with locally advanced or metastatic urothelial carcinoma. BALVERSA is an important new therapy for a subset of patients with urothelial carcinoma who, up until now, had limited treatment options.
- Advancing treatment for respiratory syncytial virus:** The FDA granted Breakthrough Therapy Designation for our investigational vaccine for the prevention of respiratory syncytial virus (RSV) lower respiratory tract disease in adults aged 60 years or older. Older adults are at risk of developing RSV, a highly contagious respiratory infection and a leading cause of bronchitis and pneumonia, affecting more than 64 million people each year worldwide.<sup>12</sup>
- Promise for patients with prostate cancer:** The FDA granted Breakthrough Therapy Designation for niraparib, an orally administered poly ADP-ribose polymerase (PARP) inhibitor, for the treatment of patients with BRCA1/2 gene-mutated metastatic castration-resistant prostate cancer (mCRPC). Niraparib is an investigational PARP inhibitor that we believe may help address an important unmet need for patients with mCRPC.
- New diabetic kidney disease approval:** The FDA approved INVOKANA (canagliflozin) to treat diabetic kidney disease (DKD) and reduce the risk of hospitalization for heart failure in patients with type 2 diabetes. The approval, which is based on the landmark Phase 3 CREDENCE renal outcomes study, makes INVOKANA the only medicine in nearly 20 years approved to slow the progression of DKD.

## R&D: Medical Devices

In a radically changing environment, we make connections across science and technology to combine our own expertise in surgery, orthopaedics, interventional solutions and vision care with the big ideas of others to design and deliver innovative solutions for doctors and patients. Areas of progress in 2019 include:

**Advancing digital surgery:** Part of our strategy to create the next frontier of surgery is empowering healthcare providers and surgeons to drive even better outcomes for patients. We announced our acquisition of Auris Health, a privately held developer of robotic platform technology, currently focused on enabling new possibilities in lung cancer procedures. This acquisition accelerates our entry into robotics with a FDA-cleared platform currently available in the United States.

“ In this new era of healthcare, we’re aiming to simplify surgery, drive efficiency, reduce complications and improve outcomes for patients, ultimately making surgery safer. We believe the combination of best-in-class robotics, advanced instrumentation and unparalleled end-to-end connectivity will make a meaningful difference in patient outcomes.”

**Ashley McEvoy, Executive Vice President, Worldwide Chairman, Medical Devices, Johnson & Johnson**

**Improving surgical outcomes:** Johnson & Johnson Medical Devices Companies introduced our new ECHELON CIRCULAR Powered Stapler to help address complications associated with colorectal, gastric and thoracic surgery. When using staples or sutures, there is a risk of complications from leaks at the staple line, which can lead to increased discomfort for the patient, longer hospital stays and potentially serious illness. This new stapler provides gentler handling to reduce the force required to complete the stapling process and is proven to reduce leaks by up to 61% compared to similar devices. Read more [here](#).

**New knee replacement technology:** We introduced the ATTUNE Cementless Knee as an addition to our knee solutions range. The cementless knee replacement is particularly relevant for younger, more energetic patients who have healthy, strong bone and wish to maintain an active lifestyle. This cementless option, which is based on biological fixation and in-growth of the implant to bone, promises to enable this. The ATTUNE Cementless Knee features several patented technologies designed to improve knee function. Read more [here](#).

**New registry for patients with liver disorders:**

Johnson & Johnson Medical Devices Companies launched a new global registry to collect and analyze real-world data on patients with soft tissue liver lesions. The observational registry will follow approximately 1,500 patients worldwide for a total of five years from the date of their first liver ablation procedure with Ethicon's NEUWAVE Microwave Ablation System, our minimally invasive microwave ablation technology. The registry will be an important contribution to our understanding of this liver ablation procedure and provide robust clinical evidence to inform treatment decisions and improvements in procedural efficiency and patient outcomes.

**Helping people see better, connect better, live better:**

Johnson & Johnson Vision, part of our Medical Devices business, launched 10 new products in 2019. Included in these was the TECNIS Eyhance Intraocular Lens (IOL), the first monofocal IOL to deliver improved intermediate vision and 20/20 distance vision. In addition, the Company showed positive Phase 3 clinical results on its first-of-its-kind drug-eluting anti-allergy contact lens. Johnson & Johnson Vision also launched its inaugural "Vision for Good" community [impact report](#) detailing efforts to provide access to eye care for those in need through advocacy and education, and serving more than 40 million people to date.

## R&D: Consumer Health

Johnson & Johnson Consumer Health believes in caring for people around the world by creating solutions and experiences that help them live healthy, vibrant lives. Our products help advance everyday care for healthier consumers at every stage of life, and meet the health needs of families across the globe through a broad range of well-known and trusted healthcare and over-the-counter products. We also bring Johnson & Johnson's unique perspective as the world's largest healthcare company together with technology expertise and partnerships to create high-performance products for healthy skin. Consumer Health highlights in innovation in 2019 include:

**Investing in consumer health technology:** In line with our belief that consumers are increasingly using digital health tools to augment care regimens and seeking more wellness-focused products, Johnson & Johnson Innovation – JJDC became the corporate strategic partner and first investor in a new consumer health technology accelerator, in partnership with London-headquartered startup studio and accelerator [Founders Factory](#). The goal of the collaboration is to grow the health tech and startup community in the New York City region by investing in 25 startups in consumer healthcare over the next five years, with an emphasis on areas such as personalized care, female health and mental health.

**Innovation for children:** Parents spend 17 minutes on average trying to get their kids to take medicine. In response, we introduced Children's TYLENOL Dissolve Packs for parents who wanted more options for kids who won't take liquid medications and aren't ready for chewables or tablets yet. This is the first and only pediatric acetaminophen product that is offered as a dissolvable product. Each tablet contains 160 mg of acetaminophen and comes in a dissolve pack that can be poured directly onto a child's tongue and will dissolve almost immediately.

**Presenting Innovation in skin science:** Johnson & Johnson Consumer Health presented a diverse portfolio of scientific research across skin and hair physiology at the 2019 American Academy of Dermatology (AAD) Annual Meeting in Washington, D.C., including 13 Scientific ePosters and a preview of the latest innovations in skin health technology.

## Innovation in skin care

In 2019, NEUTROGENA, our dermatologist-recommended skin care brand, launched a new collection, [NEUTROGENA BRIGHT BOOST](#), which features NEOGLUCOSAMINE, a gentle, non-acid amino sugar that helps speed up surface cell renewal to brighten and even skin tone. A NEUTROGENA survey conducted online by The Harris Poll among over 1,100 U.S. women aged 18+ showed that nearly two-thirds (66%) of U.S. millennial women aged 23 – 38 have noticed a shift in their skin's brightness. [Read more](#) about the unique collaboration that led to this new skin care line, which meets the diverse needs of all skin types in different environments around the world.

We also introduced the [NEUTROGENA Blackhead Eliminating Nose Strip to Scrub](#), a two-in-one pore strip and exfoliating scrub, designed to be gentle enough for daily use and sensitive skin. The treatment targets blackheads and penetrates pores while exfoliators gently clear away blackhead-causing dirt and oil.

“Johnson & Johnson scientists are globally recognized for delivering meaningful products and solutions to our patients and consumers. Our R&D employees combine the power of science with deep human insights to develop products in the areas of Skin Health, OTC and other essential health franchises—such as Oral Care, Baby Care, Women's Health and Wound Care—that help people take better care of themselves and their loved ones.”

Caroline Tillett, Global Head of R&D, Johnson & Johnson Consumer Health



## Our Innovation Networks

GRI JNJ19-5

Our mission is to create the leading global innovation network to generate transformational healthcare solutions through value-building external collaborations and partnerships.

Our goal is to unleash the power of science and technology to advance the health of everyone, everywhere. Fundamentally, Johnson & Johnson seeks to bring forth highly differentiated new healthcare solutions that extend and improve lives, not just through therapeutics, but also medical devices, consumer health products and integrated technology-enabled solutions.

### Innovation acceleration

The Johnson & Johnson Innovation Centers in San Francisco, Boston, London and Shanghai identify transformational early-stage healthcare innovation. They develop strategic collaborations with academics, startup companies and other entrepreneurs across their regions, who wish to partner with us to accelerate their novel science and technologies to make a transformational impact on human health.

**4** Innovation Centers on three continents

**65+** deals executed in 2019

**\$145+ million** capital deployed on new deals in 2019

**Collaboration in genome sequencing:** In September 2019, a new collaboration was launched in the UK between government, a research charity and industry. Johnson & Johnson Innovation facilitated the collaboration for the Whole Genome Sequencing (WGS) project on behalf of Janssen Research & Development. The WGS project will sequence the complete genetic code of 500,000 UK Biobank volunteers. It is the single most ambitious sequencing program in the world undertaken as a public-private initiative, representing a potential major advance for public health. The project is expected to create meaningful insights into complex diseases during the nine-month window of preferred access to the data. Subsequently, the data will then be open to the global scientific community to interrogate and find disease-related information and potential solutions.

**Early-stage drug discovery in China:** In an agreement facilitated by our Asia Pacific Innovation Center, Janssen Research & Development is collaborating with **HitGen**, a Chinese biotech company with an industry-leading platform for early-stage drug discovery research centered on DNA-encoded chemical libraries. This agreement aims to design and build novel DNA-encoded libraries to discover unique small molecule assets to be used in drug discovery and development. This new program builds on the success of our earlier agreements, the outcomes of which helped us identify opportunities to support the discovery of a new generation of medicines to address unmet clinical challenges.

**Partnering for breakthrough healthcare innovation:** Johnson & Johnson Innovation partnered with the U.S. National Academy of Medicine in its Healthy Longevity Global Competition, launched in 2019. This multi-year, multimillion-dollar competition in the United States is internationally seeking breakthrough innovations to extend human health and help people age well and live longer, healthier lives.

### Life science incubation

Through **Johnson & Johnson Innovation – JLABS**, our life science incubator network for innovators, we support hundreds of entrepreneurs working to turn breakthrough science and technologies into transformative solutions in biotech, pharmaceutical, medical devices, consumer health and health technology programs.

**13** locations around the world

**600+** companies, including current resident companies and alumni

**145+** collaborations with Johnson & Johnson

**First JLABS in Asia Pacific:** Launched in June 2019 in collaboration with local government and the Shanghai Pharma Engine Company, JLABS @ Shanghai is the first JLABS facility established in Asia Pacific. The state-of-the-art 4,400-square-meter facility can accommodate up to 50 life science startups focused on innovations across the healthcare spectrum, including pharmaceuticals, medical devices, consumer health and health technology sectors.

**JLABS @ Washington, DC:** Johnson & Johnson Innovation and Children's National Hospital announced a collaboration to launch JLABS @ Washington, DC, a 32,000-square-foot facility at the new Children's National Research & Innovation Campus on the historic Walter Reed Army Medical Center campus in the nation's capital. The co-location with key partners in the areas of public health research, innovation and incubation will be critical to accelerating breakthrough discoveries into new treatments and technologies. JLABS @ Washington, DC will be opened in 2020 to companies aiming to advance the development of new drugs, medical devices, precision diagnostics and health technologies, including applications in pediatrics.

### Strategic investing in innovation

Johnson & Johnson Innovation – JJDC is the strategic venture capital arm of Johnson & Johnson and a long-term investment partner to healthcare entrepreneurs. To date, JJDC has invested in hundreds of emerging life sciences companies developing healthcare solutions. It is a key element in our strategy to bring new healthcare products to the people who need them. We understand that each company is unique and requires a distinct investment strategy. At JJDC, we believe strongly in value-add investing and play an active role in the companies in which we invest.

**46+** year legacy

**40+** investments in 2019

**\$500+ million** capital deployed in 2019

In 2019, JJDC continued to rank as the Number One investor in Healthcare Corporate Venture Capital<sup>15</sup> for healthcare investments, deploying more than \$500 million across over 40 pharmaceutical, consumer health and medical devices companies in the United States and internationally. Recent investments include:

- **Auris Health**, expanding digital surgery through robotics (see **R&D: Medical Devices** section);
- **CARA CARE**, personalizing treatment recommendations for people living with acute and chronic digestive conditions; and
- **Ribon Therapeutics**, pioneering a novel approach to cancer treatment.

Read more about these companies in our 2019 **JJDC Newsletter**.

### Cross-company innovation

Where possible, we seek to leverage our expertise across our different business segments in a holistic approach to address pressing healthcare challenges. We achieve this by establishing hubs or centers of excellence to harness resources from different parts of the business to deliver optimum solutions. Similarly, we address certain developments, such as the application of digital technology, from an enterprise perspective as well as within each business segment. Examples from 2019 of these specific areas of activity that go beyond the above-mentioned modes of innovation include:

**The Johnson & Johnson Lung Cancer Initiative:** The Lung Cancer Initiative is dedicated to transforming the standard of care for this devastating disease. Our vision is to develop solutions that prevent, intercept and cure lung cancer. By focusing on the underlying biology of the progression from risk to disease and accessing the best science and innovation available anywhere in the world, we aim to eliminate lung cancer with holistic solutions that combine pharmaceutical, medical devices and consumer health approaches. An example is the Auris Health collaboration. Auris Health's MONARCH Platform with robotic bronchoscopy may significantly enhance clinicians' ability to diagnose peripheral lung nodules today, and in the future will integrate the latest advancements in medical devices technologies and local drug therapies to enable earlier diagnosis and treatment.

**World Without Disease Accelerator:** The World Without Disease Accelerator (WWDA) at Johnson & Johnson focuses on the discovery, development and application of disruptive products and technologies, business models and partnerships to eliminate disease. The group brings together capabilities in areas including the microbiome, immunosciences, sensors and wearables, predictive analytics and behavioral sciences to seed transformative growth opportunities and solutions for the prevention, interception and cure of disease. An example of this is where the WWDA is exploring multiple innovative approaches like **digital twins** to monitor, maintain and personalize an individual's health.



Janssen technicians preparing doses of the Company's developmental CAR-T therapy.

## Advancing digital healthcare technologies

**Advancing digital healthcare technologies:** We aim to integrate the most advanced technologies throughout our healthcare developments. The enabling potential of technology can accelerate our ability to change the trajectory of human health. At any given time, we are collaborating with multiple partners across diverse health topics to drive the use of technology and data in novel ways for better health outcomes. In the surgical field, we are building a comprehensive digital ecosystem that uses advanced technologies across all types of surgical procedures, leveraging connected intelligence to deliver enhanced experiences and outcomes for patients, surgeons, and healthcare systems. We also use technology to support health workers at the front lines of healthcare; see our section on [using technology to connect frontline health workers](#).

Several digital technology initiatives gained ground in 2019:

- **Using artificial intelligence in orthopaedics:** DePuy Synthes, our orthopaedic medical devices business, entered into a global co-development and commercialization agreement with Zebra Medical Vision, a medical imaging analytics company, to bring artificial intelligence (AI) opportunities to orthopaedics, based on imaging data. Zebra Medical Vision's technology uses algorithms to create three-dimensional models from X-ray images that will help bring affordable preoperative surgical planning to surgeons worldwide.
- **Using virtual reality headsets to train surgeons:** We partnered with startup Osso VR to distribute between 150 and 200 OCULUS QUEST headsets to surgeons in the United States starting in April 2020, with a goal of expanding the program worldwide over time. Virtual reality (VR) technology allows surgeons to train where they are instead of having to travel. Eventually, surgeons and support staff could use VR to train together from separate locations.
- **New lab for 3D bioprinting:** We opened a Bioprinting Lab located at Trinity College Dublin, creating a space to innovate in the exciting field of bioprinting that has the potential to revolutionize patient care. The 3D Bioprinting Lab was created and is collaboratively operated with the Center for Advanced Materials and BioEngineering Research (AMBER) at Trinity College Dublin, led by the Science Foundation Ireland (SFI). This lab, our first 3D printing

collaborative laboratory partnership with a university outside the United States, demonstrates our commitment to supporting 3D bioprinting innovation to advance patient care and to transforming the course of human health. During the year, SFI recognized our AMBER collaboration with the Industry Partnership Award for 2019 on research to develop a new class of 3D-printed biological implants designed to regenerate, rather than replace, diseased joints.

- **New digital health report:** We were proud to support the inaugural [2019 State of Digital Health report](#), which provides the first-ever snapshot of digital health ecosystems throughout the world and lays the foundation for better-informed and coordinated investments in digital health. The report presents data collected from the 22 countries across six regions that participate in the Global Digital Health Index (GDHI). The GDHI is a multi-stakeholder initiative led by a Steering Committee, of which Johnson & Johnson is a member.
- **Inaugural Data Science Showcase:** In October 2019, leaders and data scientists from across the enterprise gathered for the first-ever Johnson & Johnson Data Science Showcase. Sponsored by the Johnson & Johnson Data Science Council, the event illustrated the diverse applications for leveraging data to unlock insights to transform healthcare. The Data Science Council is populated by cross-functional experts from across the Company and is organized around workstreams addressing infrastructure and data sharing, security and privacy, and enabling a highly data-driven decision-making culture.
- **HEARTLINE Virtual Study for heart health:** Janssen Pharmaceutical Companies of Johnson & Johnson, in collaboration with Apple, opened enrollment in early 2020 for the [HEARTLINE Study](#) after a detailed planning process that started in 2018. The study will explore if the HEARTLINE Study app on IPHONE and heart health features on APPLE WATCH can improve health outcomes, including reducing the risk of stroke, with earlier detection of atrial fibrillation (AFib). AFib, a common form of irregular heart rhythm, is a leading cause of stroke in the United States.

### Highlight

**Investing in data science:** Data science is a driver of astonishing health technology innovation today, and we are at an inflection point where health, technology and consumer industries are converging in new ways. Across the Company, we are employing leading-edge analytical tools, including machine learning, deep learning, natural language processing, and more to analyze new and expanded sources of data. We are leveraging data science to unlock disease insights and enhance the effective, efficient discovery and development of transformative medicines, create more meaningful consumer experiences, and deliver better outcomes for patients around the world. We are also committed to building a thriving network of collaborations that strengthen and leverage data science capabilities, advance compelling scientific research, and develop the next generation of leaders in healthcare data sciences.

# Responsible Business Practices

Responsible business practices serve as the foundation of our Company's success and are imperative to protecting the broader healthcare system and the communities in which we live and work. We nurture a culture of ethical leadership and integrity in our diverse, skilled workforce, committed to serving all those who count on us to provide high-quality, safe and reliable products.

Whether we are seeking to protect the data and privacy of our patients and consumers, being transparent about our business activities, engaging with suppliers or assessing options for safe, ethical and patient-centered decision-making, we seek to sustain the trust earned over the course of more than 130 years of business operations.



Employees from Janssen Pharmaceutical Companies of Johnson & Johnson working together toward shared goals, because collaboration is in our DNA and that is how our top breakthroughs happen.

### Key Achievements in 2019

- Enrolled suppliers representing 71% of spend in our Sustainable Procurement Program.
- The only healthcare company to be recognized for the third year in a row as a CDP Supplier Engagement Leader for leadership in supplier engagement to tackle climate change.
- Introduced our new recognition platform, Inspire, to all global employees to strengthen our culture of recognition and enhance the employee experience.
- Advanced our holistic approach to human rights through the establishment of the Enterprise Human Rights Governance Council.

### Areas of Opportunity

- Advance the maturity of our supplier risk management program through governance and supplier stratification.
- Continue to introduce end-to-end approaches, programs, policies and initiatives to attract, develop and retain diverse talent across the organization.

### Policies and Positions

Our policies and positions relating to Responsible Business Practices are referenced throughout this section. In addition, please visit [ESG Policies & Positions](#) on our website.



**43% of Manager and above talent movement** that was across function, country or business segment lines\*



**Ranked #1** on Gartner’s 2019 Healthcare Supply Chain Top 25 list

**46% of management roles held by women**



**\$1.6 billion spend with diverse suppliers**



\* Represents the proportion of employees in Manager and above job categories who in their career progression movement (including upward promotion, downward demotion, or lateral transfer) crossed function, country or business segment lines.

# Empowering People

GRI 102-8, 404, 404-1

As the world's largest and most broadly based healthcare company, directly employing more than 130,000 individuals conducting business in virtually all countries of the world, Johnson & Johnson plays an important role in the local, regional and global communities we touch. Rooted in Our Credo, we are committed to supporting the individuals who form our Family of Companies. We know that fostering a culture that is values-based, responsible, ethical and inclusive motivates and empowers our employees. This culture enables us to attract and retain the most talented people, engage them in meaningful and inspiring work, and as a result, fulfill our business goals and objectives. In doing so, we propel our purpose to advance health for everyone, everywhere, and help grow prosperity around the world.

“ At Johnson & Johnson, Our Credo defines our responsibility to our employees. By continuing to prioritize inclusion, health, wellbeing and safety, and continuous growth and development, we are fostering a culture where employees feel valued and can deliver the innovations that contribute to our mission of improving health around the world.”

**Peter Fasolo, Executive Vice President, Chief Human Resources Officer, Johnson & Johnson**

## Our Leadership Imperatives

### Live Our Credo & Pursue Our Purpose

Demonstrates and models the heart of Johnson & Johnson

- Puts the needs of Our Credo stakeholders first
- Pursues the highest standards of quality, safety, compliance and ethics
- Ensures everyday actions contribute to Our Purpose

### Connect

inclusively to address health needs

- Builds internal and external relationships based on respect
- Seeks, listens to and incorporates diverse points of view
- Collaborates openly across boundaries and acts as a team player

### Shape

the future of health through innovation

- Inspires and contributes ideas that challenge thinking
- Courageously tries new things, tests and learns from mistakes
- Demonstrates resilience and agility to drive and adapt to change



### Grow

self and others to become our best

- Develops self and others to reach their goals
- Engages in open and honest conversations
- Drives performance by managing energy and taking ownership for outcomes

In 2019, we updated our Leadership Imperatives, which define a clear set of behaviors and expectations that will enable us to shape the health of generations to come. We launched this new framework to all employees globally and introduced the new imperatives into our annual goals and objectives, development programs and training materials.

## Attracting & Developing Our People

GRI 401-2, 401-3, 404, 404-2, 404-3  
 SASB: HC-BP-330a.1; HC-BP-330a.2

As a company with an inspiring purpose, ethical approach and global reach, we offer current and potential employees diverse opportunities to develop personally and professionally. Our approach to attracting, recruiting and retaining a global, diverse team of employees is rooted in partnerships with professional organizations and top universities, and in relationships with graduate students. Across the world, our executives teach courses and engage with the next generation of healthcare leaders at universities and college campuses. We also tailor our approach with specific strategies to meet the varying needs of our different business segments. We augment these recruitment efforts by leveraging cutting-edge digital platforms, social media and online engagements.

### Employee recruitment

Our recruitment activities in 2019 include:

- Strengthened our talent acquisition capabilities in those markets where we launched our new ways of working, reducing time to fill new roles by 10% and improving the candidate experience with a high satisfaction score for our recruitment process;
- Expanded Re-Ignite, our paid returnship program for experienced technical professionals, deepening our recruitment performance in critical capability areas;
- Encouraged employee referrals, which continue to be a top source of new recruits, leading to 4,639 new hires, representing 15.8% of our recruiting efforts; and
- Localized our internal online recruitment tool, hire.jnj.com, to provide end-to-end guidance in 12 languages, access to resources and tools, process transparency and speed to hire the best candidates in 25 countries.

**Helping the best come back to Johnson & Johnson:** In 2019, we introduced Re-Ignite, our paid four-month returnship program for experienced professionals who have taken a break of two years or more from a STEM2D career. The program includes in-depth onboarding, mentoring support, technical training and alumni guidance during the returnship period. Through the Re-Ignite program, we are able to tap into a new talent pool of experienced, highly engaged, technical leaders who appreciate our efforts to foster a supportive, inclusive environment that highly covets technical and professional skills. In 2019, all individuals completing the program moved into full-time positions at Johnson & Johnson.

**21,948** positions filled in 2019 across the Company, including those in our most critical growth areas of external innovation, oncology, immunology, market access and data science.

**43%** of Managers and above moved across functions, country or business segment lines.<sup>14</sup>

**\$98 million** spent with vendor partners to ensure our leaders and employees receive the essential leadership and functional training to grow and develop.

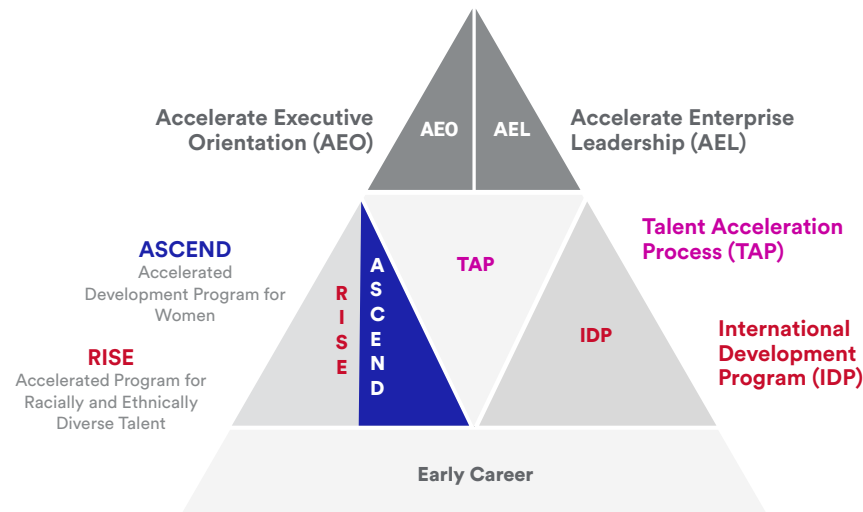
## Employee development

To continue to lead in the changing healthcare landscape, our employees must be equipped with the right knowledge and skills, and motivated by the prospects of new challenges or career development opportunities. Investing in professional development with a clear process for performance management enables us to deliver opportunities for all while contributing to enhancing the professional skill base of local economies in the regions in which we operate. See our [Position on Employee Development](#).

Our employee development activities in 2019 include the following:

- Engaged 313 employees in accelerated leadership development programs for high-potential and diverse talent.
- Supported nearly 7,000 people leaders in leadership development, resulting in participants feeling more equipped to perform their role.
- Invested in new technology in China to pilot a Talent Marketplace, a platform leveraging a gig-economy mindset, which allows employees to elect to work on short-term projects based on their interest areas, skills and personal purpose. Since the launch to employees in China, nearly 50 projects have been initiated that incorporated cutting-edge areas, such as big data, artificial intelligence and new retail.
- Launched the Data Science Academy, as well as digital skills training, to support employees in building digital acumen and a better understanding of technology in key areas that include data science, automation and digital experience.

## Our suite of leadership and development programs



**3,537** new leaders participated in our Enterprise Leader Development Program in 2019, bringing the total number of leaders trained to date to 7,996.

**89%** of employees globally completed year-end performance reviews in 2019.

**1,262** of U.S. and Puerto Rico employees participated in the tuition reimbursement program.

**Leadership programs:** To help transform the future of health for humanity, we must have highly capable leaders across our business. To achieve this, we are transforming how we assess and develop people leaders. We maintain a suite of leadership and development programs to accelerate the process of individuals who have been identified through our succession planning process as having the potential to fulfill more senior leadership roles within the Enterprise.

**Developing R&D leaders:** In 2019, Johnson & Johnson Innovation introduced the Johnson & Johnson Innovation Champions program, a new professional growth opportunity available to R&D scientists across the organization. Designed to provide our R&D scientists with an enrichment experience through exposure to external innovation, the program also helps leverage their expertise to accelerate scientific and medical advances. The program runs in cohorts over a six-month period, offering the opportunity for each group to gain additional skills and knowledge, and to build a network while remaining in role. The Champions program augments our existing EXPAND platform, which offers scientists the possibility of a six-month secondment to an external innovation organization, such as a startup or venture capital fund, to both learn and contribute in a completely different environment.



## Our Performance

### Year-End Performance Reviews Completed by Job Category

	2019	2018	2017
Vice President	<b>76%</b>	72%	73%
Manager and Director	<b>90%</b>	90%	89%
Professional	<b>90%</b>	89%	88%
Other*	<b>82%</b>	86%	90%
Overall for all employees	<b>89%</b>	89%	88%

\* Category includes employees who don't have a merit plan as part of their compensation package.

### Employee Turnover

	2019	2018
Overall voluntary turnover	<b>8%<sup>‡</sup></b>	8%
Voluntary turnover of high performers	<b>4%<sup>‡</sup></b>	4%

<sup>‡</sup> See [PwC's Report of Independent Accountants](#).

### Spend on Employee Learning and Development by Category (millions)

	2019	2018
Other professional skills	<b>\$52</b>	\$47
General leadership training and assessments	<b>\$17</b>	\$22
E-learning	<b>\$5</b>	\$7
Executive coaching	<b>\$10</b>	\$6
Other	<b>\$14</b>	\$8
<b>Total</b>	<b>\$98</b>	\$90

‡

## Employee compensation & benefits

We are committed to compensating our employees fairly and offering benefits that meet the changing needs of today's employees and their families. Through our compensation framework, a set of core principles that guide all compensation decisions, we recognize the important contribution of our employees to delivering our mission in ways that align with our values. We observe legal minimum wage provisions and aim to exceed these where possible. We are committed to pay equity, including gender and racial/ethnic group pay equity. From time to time, we analyze our pay across functions and levels, and strive to eliminate unconscious bias or other barriers to full pay equity across the Enterprise. Our benefits packages aim to improve the quality of life for employees by providing practical support for family, health and wellbeing, education and long-term financial management needs.

Activities in 2019 to enhance employee benefits include:

- Deployed an enhanced Employee Assistance Program globally to more than 118,000 employees and family members in 72 countries and 23 languages;
- Introduced a flexible benefits plan to employees in China, granting employees there more choice in how to allocate their retirement savings;
- Offered an extra week of paid leave for new hires and employees in the United States with one to two years of service; and
- Introduced Custom Target Date Funds, providing nine new and personalized investment options in the Johnson & Johnson Savings Plan (for U.S. employees).

These benefits add to an existing holistic range of benefits—starting with health and wellbeing and extending to retirement planning and finances—that are available to our employees around the world. See also our [Position on Employee Compensation and Benefits](#).

## Our Performance

### U.S. Employee Benefits

	2019	2018	2017
<b>U.S. employees who took parental leave, by gender</b>			
Women	47%	44%	41%
Men	53%	56%	59%
<b>U.S. employees who returned to work after parental leave ended, by gender</b>			
Women	98%	98%	98%
Men	100%	100%	99%

## Engaging & Inspiring

We engage and empower our employees by fostering a work culture where everyone can make their voice heard, and provide platforms for employees to express their creativity and make a meaningful contribution to address social or environmental challenges.

Our 2019 activities in engaging and inspiring employees include:

**Our global employee Our Voice Survey:** Johnson & Johnson's biennial Our Voice Survey is a significant indicator of employee satisfaction, and measures important aspects of our culture such as employee engagement, inclusion, development, health and wellness, collaboration, execution, innovation, and compliance and risk.

Key results from our 2019 Our Voice Survey:

- 90% response rate (among all active employees).
- 95% agreed with the statement: *I am willing to give extra effort to help Johnson & Johnson meet its goals.*
- 87% agreed with the statement: *I feel a strong sense of purpose and meaning in my work.*
- 87% agreed with the statement: *I would recommend Johnson & Johnson as a great place to work.*
- 69% agreed with the statement: *In my workgroup, we eliminate practices that stand in the way of achieving results.*

We benchmark our performance on the Our Voice Survey with the Mayflower Group, which is a consortium of top-tier, global companies dedicated to employee surveys. We are in the top quartile of Mayflower Group companies with regard to employees recommending the Company as a great place to work and wanting to stay with the Company—both critical components of employee engagement.

Following analysis of the detailed results, which were communicated to all employees, we developed plans to address the main areas of opportunity identified by our employees' voice, both at corporate level and within individual teams.

In alternate years we issue a global Our Credo Survey, which tracks how we are living into Our Credo values and responsibility to stakeholders, including employees.

**A new program for employee recognition:** At Johnson & Johnson, we are committed to building a culture where great work and purpose-led behaviors are routinely celebrated by others in a meaningful and memorable way. In 2019, we launched Inspire, a new employee recognition program to encourage colleagues across our regions, functions and sectors to celebrate their coworkers and the great work they are doing every day. Inspire provides a digital platform to deliver personal, sincere, and meaningful recognition, shared through a real-time, Company awards messaging feed.

**A new channel for communication:** In 2019 we introduced J&J Responds, an internal website that provides employees with our statements on the latest news and high-profile topics. J&J Responds explains our position and provides other contextual information to keep employees informed in a centralized and streamlined way. This new channel flexes to meet the needs of our Company and, in early 2020, we launched a J&J Responds microsite dedicated to COVID-19 to share the latest guidance, resources and policies in support of the wellness of our employees, our communities and those we serve worldwide.

**Providing employees with opportunities to use their Talent for Good:** Our Talent for Good Strategy is creating a movement of change-makers across Johnson & Johnson by empowering more employees to use their talent for good and pave the way to a healthier future for everyone, everywhere. Across the globe, our employees are applying their time and resources to build healthier communities and be a catalyst of positive change. Our global community of change-makers sees giving back as not only vital for our communities and for living Our Credo, but key in advancing our social impact to profoundly change the trajectory of health for humanity. We provide a range of opportunities for employees to help our community-based



Jose Gonzalez-Roman, Human Resources Leader at Janssen in Gurabo, Puerto Rico.

partners address critical capacity-building needs. These include programs for employees to take paid time as secondees in non-governmental partner organizations, as volunteers in community causes through our Volunteer Leave Policy, or as first responders through our First Responder Time-Off Policy. See our [Position on Community Impact](#).

Our activities in 2019 for engaging Talent for Good include:

- **Secondment Program:** The Johnson & Johnson Secondment Program, now in its seventh year, offers employees the opportunity to engage with several NGO partner organizations across 25 countries in the Europe, Middle East and Africa (EMEA) region, serving in assignments lasting up to six months. In 2019, the secondment program expanded to include participants from outside the EMEA region.
- **Lion Secondments:** A new program, Lion Secondments, launched in 2019 to allow senior leaders to take on part-time (four to six months) strategic and advisory assignments with NGO partner organizations, enabling them to participate in a meaningful way that can be accommodated within their schedule. We piloted two Lion Secondments in 2019 and plan to maintain this as an option in 2020.

- **Global Pro Bono** continues to expand every year as our participants become ambassadors in spreading the word about the program and their experiences. We started our pilot program in 2017 and have now grown to a cumulative total of 68 participants. In 2019, the program expanded to Argentina, Guatemala and New Orleans, with 17 participants from seven countries who used their skills to support six local NGOs for a period of four weeks.
- **Talent for Healthy Communities**, our remote pro bono program, connects the unique talents and expertise of our employees with local community partners to address their critical capacity-building needs. In 2019, this program expanded its reach to new locations and grew its participation by our employees.
- **Bridge to Employment**: Launched in 1992, this initiative partners with nonprofit FHI360 to help young people improve school attendance, enhance academic achievements, and gain awareness of career possibilities in healthcare. The Bridge to Employment program recently launched a pilot extension program called Pathways to Success, providing immersive experiences through internships at Johnson & Johnson. A first cohort of 17 students participated as interns in our operating companies in 2019.
- **WiSTEM<sup>2</sup>D**: This program engages Johnson & Johnson employees globally to inspire young girls and women to enter STEM<sup>2</sup>D fields. In 2019, the program reached girls through our volunteers and partners, far exceeding its “a million girls by 2020” target. In 2019, Johnson & Johnson volunteers directly supported programs reaching 577,000 girls.

**Engaging employees for the environment:** Our environmental sustainability employee engagement program, **We Sustain**, mobilizes passionate employees to improve the environmental health of the places where we live, work and sell our products. In 2019, a total of 41 We Sustain teams across the globe engaged their colleagues to protect the environment and human health through education, idea sharing and community volunteerism.

In 2019, we again held the We Sustain Ideas Challenge where Johnson & Johnson employees submitted, voted and ranked ideas—moving 19 ideas from a pool of more than 500 submissions forward to the final prioritization phase. Johnson & Johnson experts then chose the five finalists of our Pause on Plastic challenge. Winning ideas are each awarded \$10,000 to use for feasibility testing within the appropriate business segment(s) or product line.

**68** employees across the globe spent 17,018 volunteer hours participating in Pro Bono, Secondment, and Talent for Healthy Communities programs to support 22 NGOs.

**323** employees across the globe spent 7,154 volunteer hours to support Bridge to Employment, reaching 887 students.

**1,947** employees across the globe spent 6,961 volunteer hours to support WiSTEM<sup>2</sup>D.

## Advancing Diversity & Inclusion

GRI 405, 405-1

Johnson & Johnson and all its operating companies are committed to workplace diversity and to cultivating, fostering and advancing a culture of inclusion. We know that bringing our diverse backgrounds, cultures, and perspectives together drives innovation to solve today's complex health problems. Enabling everyone within Johnson & Johnson to perform at their best while being themselves is fundamental to our continued success.

Our Credo outlines everyone's responsibility to provide an inclusive work environment and to respect each other's diversity and dignity. The Company's diversity and inclusion vision is: *Be yourself, change the world.* At Johnson & Johnson all employees are encouraged to draw on their unique experiences and backgrounds so that together we can spark solutions that create a better, healthier world. Our global diversity and inclusion strategy accelerates the Company's efforts to advance a culture of inclusion and innovation; build a diverse workforce for the future; and enhance business performance and reputation. For further details, see our [Diversity and Inclusion Policy](#).

In 2019 we launched our inaugural [You Belong: Diversity & Inclusion Impact Review](#), which examines how diversity and inclusion have been key drivers of innovation and impactful business outcomes since our founding over 130 years ago. The Review also shares compelling stories about how Johnson & Johnson employees are making diversity and inclusion how we work every day to better serve our patients, consumers and customers around the world.

† See [PwC's Report of Independent Accountants](#).

“Diversity and inclusion are critical to our business and integrated into everything we do. Empowering people to be themselves helps us to drive innovation, inform decision-making, and deliver business results.”

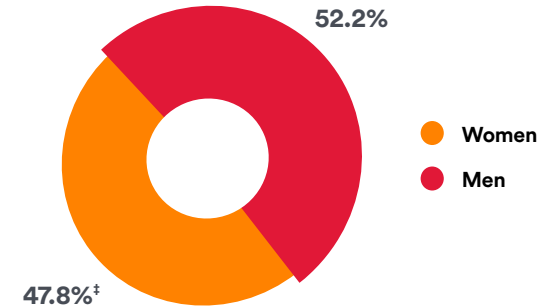
**Wanda Bryant Hope, Chief Diversity & Inclusion Officer, Johnson & Johnson**

**21,611** employees engaged in Employee Resource Groups (ERGs)

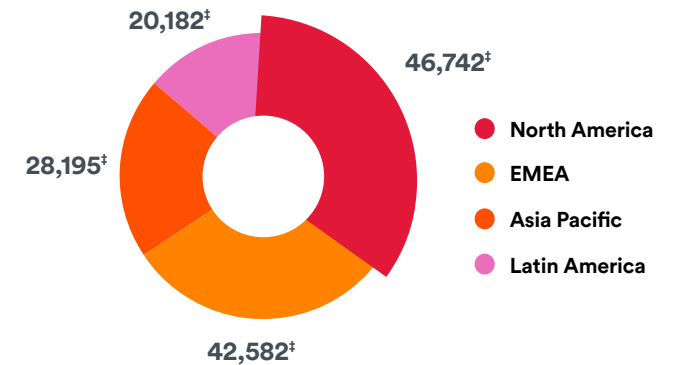
**255** U.S. ERG Chapters

**176** non-U.S. ERG Chapters

## Global Workforce by Gender



## Global Workforce by Region



Our Performance

Gender Diversity by Employment Type

	2019	2018	2017
<b>Full-time employees</b>			
Women	<b>46.7%†</b>	46.0%	45.3%
Men	<b>53.3%</b>	54.0%	54.7%
<b>Part-time employees</b>			
Women	<b>82.6%†</b>	83.6%	84.8%
Men	<b>17.4%</b>	16.4%	15.2%

Gender Diversity by Region

	2019	2018	2017
<b>Asia Pacific</b>			
Women	<b>46.0%†</b>	45.6%	43.8%
Men	<b>54.0%</b>	54.4%	56.2%
<b>Europe, Middle East &amp; Africa</b>			
Women	<b>49.7%†</b>	48.5%	48.2%
Men	<b>50.3%</b>	51.5%	51.8%
<b>Latin America</b>			
Women	<b>50.2%†</b>	49.4%	48.6%
Men	<b>49.8%</b>	50.7%	51.5%
<b>North America</b>			
Women	<b>46.1%†</b>	45.6%	45.5%
Men	<b>53.9%</b>	54.4%	54.5%

Gender Diversity by Job Category

	2019	2018	2017
<b>Vice Presidents</b>			
Women	<b>34.2%†</b>	35.0%	33.1%
Men	<b>65.8%</b>	65.0%	66.9%
<b>Managers and Directors</b>			
Women	<b>46.2%†</b>	45.6%	44.7%
Men	<b>53.8%</b>	54.4%	55.3%
<b>Professionals</b>			
Women	<b>49.5%†</b>	48.5%	47.2%
Men	<b>50.5%</b>	51.5%	52.8%

† See PwC's Report of Independent Accountants.

## Our Performance

### Age Diversity by Job Category

	2019	2018	2017
<b>Vice Presidents</b>			
Under 30	0% <sup>†</sup>	0%	0%
30-50	46.3% <sup>†</sup>	46.6%	45.6%
50+	53.7% <sup>†</sup>	53.4%	54.4%
<b>Managers and Directors</b>			
Under 30	1.3% <sup>†</sup>	1.4%	1.3%
30-50	73.2% <sup>†</sup>	73.9%	74.3%
50+	25.6% <sup>†</sup>	24.7%	24.4%
<b>Professionals</b>			
Under 30	21.4% <sup>†</sup>	21.4%	20.8%
30-50	61.7% <sup>†</sup>	61.7%	62.3%
50+	16.9% <sup>†</sup>	17.0%	17.0%

### Ethnic/Racial Diversity in the U.S. by Job Category

	2019	2018	2017
<b>Vice Presidents</b>			
White	75.4%	74.9%	76.0%
Asian	10.4%	10.4%	Not reported
Black/African American	6.7%	6.6%	Not reported
Hispanic/Latino	6.9%	7.7%	Not reported
Other	0.6%	0.4%	Not reported
<b>Managers and Directors</b>			
White	70.2%	70.7%	71.5%
Asian	16.6% <sup>†</sup>	16.5%	28.5%
Black/African American	5.0% <sup>†</sup>	4.9%	Not reported
Hispanic/Latino	7.0% <sup>†</sup>	6.9%	Not reported
Other	1.2% <sup>†</sup>	1.1%	Not reported

	2019	2018	2017
<b>Professionals</b>			
White	68.0%	68.4%	68.8%
Asian	12.0% <sup>†</sup>	12.0%	Not reported
Black/African American	7.6% <sup>†</sup>	7.3%	Not reported
Hispanic/Latino	10.4% <sup>†</sup>	10.7%	Not reported
Other	2.0% <sup>†</sup>	1.7%	Not reported

<sup>†</sup> See PwC's Report of Independent Accountants.

## Our Performance

### New Employee Hires

	2019	2018	2017
Total number of new employee hires	<b>21,948<sup>†</sup></b>	Not reported	Not reported

#### New Employee Hires by Gender

Women	<b>51.4%<sup>†</sup></b>	51.6%	51.3%
Men	<b>48.6%<sup>†</sup></b>	48.4%	48.7%

#### New Employee Hires by Age

Under 30	<b>52.7%<sup>†</sup></b>	47.1%	44.7%
30-50	<b>42.8%<sup>†</sup></b>	48.0%	47.6%
50+	<b>4.5%<sup>†</sup></b>	4.9%	7.7%

#### New Employee Hires by Region

Asia Pacific	<b>28.9%<sup>†</sup></b>	30.1%	24.2%
Europe, Middle East & Africa	<b>27.0%<sup>†</sup></b>	27.4%	24.8%
Latin America	<b>16.5%<sup>†</sup></b>	16.9%	17.9%
North America	<b>27.6%<sup>†</sup></b>	25.7%	33.1%

### Gender Diversity in Executive and Management Positions\*

	2019	2018	2017
Women in management positions	<b>45.8%<sup>†</sup></b>	45.3%	Not reported
Women in executive positions	<b>14.3%<sup>†</sup></b>	14.3%	Not reported

\* Executives defined as employees reporting directly to the Chairman & CEO; management position defined as paygrade 30 and above.

### Diversity in the Board Composition

	2019	2018	2017
Women	<b>28.6%<sup>†</sup></b>	27.0%	20.0%
Ethnic/Racial Diversity	<b>21.4%<sup>†</sup></b>	27.0%	30.0%



## Providing Safe & Healthy Workplaces

GRI 403, 403-2

Employee safety is a core value, inseparable from our mission of improving human health. With the right awareness, focus, practices and tools, we ensure that all our employees around the world, as well as temporary contractors and visitors to our sites, can work safely at all times. We foster a culture of safety, whether in manufacturing, in a laboratory, in an office, or in a vehicle. Our approach extends beyond staying safe at work—we offer and encourage safe practice beyond the workplace, striving to inspire a safe mindset all day, every day, and contributing to safer families and a safer society.

**24%** reduction in our 2019 global Total Recordable Injury rate compared to 2018.

**5.54** crashes per million miles (CPMM)—the rate continued decreasing in 2019.

### Snapshot

Johnson & Johnson encourages the reporting of Good Saves as a means of engaging our workforce in proactively identifying near misses, unsafe conditions, and unsafe behaviors that could have resulted in an injury, illness, environmental impact, or property damage. Every Good Save is reviewed and risk-ranked to determine appropriate follow-up actions. Every employee and contractor with access to the Johnson & Johnson intranet has the ability to submit a Good Save.

Activities in 2019 to advance occupational safety include:

**Adding production capacity safely in Ireland:** Our Janssen Supply Chain site in Ireland increased production capacity by adding a 206,000-square-foot, state-of-the-art biologics manufacturing facility, which opened in October 2019. The construction was completed in May 2020, following over 3.3 million hours of labor without a lost workday case (LWDC) as of the creation of this Report.

**Major construction project completed safely in China:** In August 2019, employees moved into the new Ethicon Suzhou office building, the result of 1.6 million accident-free safe work hours. This milestone marks the fulfillment of the project commitment to deliver safe construction and “help workers return home safely.”

**Twenty-five years of Safe Fleet:** With over 34,000 drivers worldwide, the Johnson & Johnson community celebrated 25 years of our world-class Safe Fleet program. Johnson & Johnson created Safe Fleet to provide our fleet drivers with the knowledge, skills, and reinforcement to reduce their risk of being involved in a vehicle crash. Since the introduction of the program, road safety has significantly improved and crashes have reduced—including in 2019, when we recorded our lowest number of crashes in the Company’s history and the lowest-ever number of injuries per million miles.

Key safety training activities in 2019 include:

**Safety training:** We maintained a full suite of safety training, involving all employees around the globe and delivered via various training methods such as webinars, e-learning, group projects, and face-to-face sessions. We also updated our Habits for Safety Success guidance and communicated these across the organization.

**Safety Month:** During our second annual Safety Month in March we connected workplace safety to our Company’s overall commitment to “SAFE makes anything possible.” We focused on generating meaningful dialogue and hearing employee stories about what it means to be and feel safe at work, at home, and in the community. Our focus was on the personal role each of us plays—choosing to make safe decisions in all the moments that matter. #SafetyMonth2019 had the most engagement for the year on our internal global social media platform, with a majority of our locations worldwide holding on-site safety month activations.

### Safety Training Audience

Enterprise level

Regional and campus level, including contractors, field sales and service groups

Environmental Health & Safety (EH&S) professionals

### Sample Topics

Machine safety, IOSS, Permit-to-Work, Warehouse Safety, and Behind the Wheel fleet safety training

Tailored to address issues relevant to the specific regional and campus level needs, as well as for capability building, complying with national and local regulations, and maintaining and improving EH&S practices

Leadership, communications, and other management skills

**New training approach in Germany:** Our team at Johnson & Johnson Medical Devices in Germany, in an effort to continuously improve safety training, embarked on a program to develop and implement innovations that would make safety training interactive and fun. Together with the local training organization, the team developed a new training concept called “Crack the Safe – Learning Must Be Fun.” Using interactive tools and puzzles in the concept of an escape room, the program incorporated all elements of safety training, where the puzzles could only be solved if the learning target was met. The training was delivered to hundreds of employees who provided highly positive feedback.

**Highlight**

In 2019, we introduced a Capability Self-Assessment Tool for Environmental Health & Safety (EH&S) professionals in operational positions. This tool helps EH&S professionals self-audit and define learning needs to support their professional development and our EH&S goals.

**Highlight**

We encourage third-party certification to the Occupational Health and Safety Assessment Series management system, OHSAS 18001, or its replacement, International Standards Organization management system, ISO 45001. In 2019, 24% of our manufacturing and R&D sites were certified to OHSAS 18001 or ISO 45001.



Each year during Safety Month, employees around the world commit to safety all year long. At our Fuji, Japan facility in 2019, employees created a "commitment wall" to share how safe practices make anything possible.

## Our Performance

### Employee Safety,\* Global

	2019	2018	2017
Lost Workday Case rate**	<b>0.07</b> †	0.08	0.08
Total Recordable Injury rate	<b>0.31</b> †	0.41	0.36
Serious Injury and Illness Case Rate	<b>0.04</b> †	0.05	0.05
Number of fatalities	<b>0</b> †	2	0
Crashes Per Million Miles (CPMM) rate***	<b>5.54</b>	5.81	5.94
Injuries Per Million Miles (IPMM) rate***	<b>0.06</b>	0.07	0.07

\* LWDC rate, TRIR, SIIC rate, and fatalities are calculated for Johnson & Johnson employees and contingent workers.<sup>15</sup>

\*\* "Lost days" are calendar days counted beginning the day after an incident has taken place.

\*\*\* CPMM and IPMM rates are based on Safe Fleet data. Rate calculation methodology uses both actual and estimated data on miles driven. We collect Safe Fleet data on employees who drive company-owned or -leased, and personally owned vehicles for Company business. Employees in the latter category are those who: 1) drive for Company business as a "regular part" of their job, and 2) receive a car allowance to purchase their own vehicle, and/or are reimbursed for vehicle expenses such as fuel, maintenance, insurance and other miscellaneous charges associated with vehicle upkeep.

† See [PwC's Report of Independent Accountants](#).

### Employee Safety by Region

	2019	2018	2017
<b>Lost Workday Case rate**</b>			
Asia Pacific	<b>0.06</b> †	0.05	0.04
Europe, Middle East & Africa	<b>0.05</b> †	0.05	0.04
Latin America	<b>0.06</b> †	0.11	0.03
North America	<b>0.08</b> †	0.10	0.14
<b>Total Recordable Injury Rate</b>			
Asia Pacific	<b>0.12</b> †	0.17	0.12
Europe, Middle East & Africa	<b>0.27</b> †	0.29	0.26
Latin America	<b>0.25</b> †	0.43	0.31
North America	<b>0.42</b> †	0.57	0.56
<b>Serious Injury and Illness Case rate</b>			
Asia Pacific	<b>0.04</b> †	0.01	0.03
Europe, Middle East & Africa	<b>0.03</b> †	0.02	0.02
Latin America	<b>0.02</b> †	0.01	0.03
North America	<b>0.06</b> †	0.09	0.10

## Healthiest workforce

At Johnson & Johnson, we aspire to have the healthiest workforce in the world. Over the years, we have continuously expanded health and wellbeing programs throughout the Company and across the globe, incorporating new thinking and technologies to keep our offerings best in class and help employees make the healthy choice the easy choice. The programs and practices we advance cover three core dimensions: Healthy Eating, Healthy Movement and Healthy Mind.

We maintain 118 on-site healthcare clinics in 35 countries across all regions of our business. We are continuously improving and expanding these facilities to provide the best care for our employees.

Activities in 2019 to improve our healthiest workforce performance include:

**HealthForce 2020:** We continued to make great progress toward our goal to become the healthiest workforce under our HealthForce 2020 initiative, which engages employees and business leaders across the Enterprise globally. We enhanced our workplaces with offerings like free fruit, healthier food options, healthy beverages, opportunities to move more, and convenient resources to create an engaged, energized and high-performing culture.

**HealthForce 2020 implementation at Janssen Benelux:** Our teams at Janssen Benelux went the extra mile to help their workforce become healthier with a holistic program of healthy meetings including healthy food, energy breaks, standing instead of sitting, recognition moments and mindfulness sessions. They also instated a program of fresh air or games at lunch—such as table tennis sessions and walking lunches—for employees to re-energize and return to the desk refreshed for the afternoon.

**Introduced new digital health tool:** In late 2019, as part of our goal to become the healthiest workforce, we introduced a new and improved digital health tool for employees to support their overall health and wellbeing. This platform replaced our previous HEALTHY & ME tool, providing a new and improved way to help employees grow on their health journey. We continued using HEALTHY & ME tool throughout 2019. The new global app features

a modern and intuitive layout with personalized content based on employees' health goals. Opportunities to earn points include activity, food, and sleep tracking, THE JOHNSON & JOHNSON OFFICIAL 7 MINUTE WORKOUT, self-declarations, challenges and pre-recorded health webinars. These points can be redeemed for rewards, or may be donated toward several different charities.

**Global activity challenge:** In 2019, we engaged employees across all regions in our 21-day global activity challenge, which resulted in 4.6 billions collectively logged steps and a 39% increase in movement for challenge participants.

**New Global Exercise Reimbursement Program:** In addition to our on-site fitness centers, we expanded this program to employees in 34 countries, offering them financial reimbursement to work out in ways that are convenient for individuals, including virtual subscriptions.

**Supporting mental wellbeing:** In line with our HealthForce 2020 program, we maintain programs to raise awareness of mental wellbeing in the workplace and around the world. Our global Healthy Mind Policy outlines the expected approaches and resources required to support mental wellbeing at Johnson & Johnson. We are working together with our more than 2,300 Mental Health Diplomats, part of our Alliance for Diverse Abilities Employee Resource Group. They help reduce workplace mental health stigma and create a supportive work environment through routine workplace reviews and online personal empowerment programs. We offer people leader training and webinars to raise mental health awareness. Our U.S. medical benefits plan includes coverage for mental health programs. We also enhanced our Employee Assistance Program to provide a consistent approach to support our employees around the world. This program provides additional resources for employees and family members, additional training and educational tools, and a more well-rounded approach to work-life balance, resiliency, and stress management. Aiming to support employees through particularly stressful situations or concerns, it includes access to confidential short-term counseling, 24/7 online tools and resources, and on-site crisis support.

### 2020 GOAL PROGRESS

**65,000**  
employees completed ENERGY FOR PERFORMANCE training.

**112,000**  
employees engaged in health and wellbeing via the use of digital health tools.

**120,000 and 113,000**  
employees provided with access to 85% implemented healthy eating and healthy movement cultures respectively.

On track

[View scorecard](#)

In 2019, our HEALTHY & ME tool was widely available:

**~99%** of employees

**80** countries

**41** countries where it's available to spouses and partners

**16** languages

## Workplace innovation

We maintain workspaces designed to promote healthy lifestyles, employee engagement and collaborative working. Our Workplace Innovation Program, established in 2010, helps us better design our environments to support workplace activity through creating shared and unassigned workspace for greater flexibility, enhancing employees' working experience, and inspiring an innovative and engaged work culture. Our workplaces incorporate elements that support physical and emotional health, such as on-site fitness centers, first-aid rooms, outdoor activity areas, nurture and faith rooms, rooms for counseling and employee assistance, and child development centers. We also adopt green building design principles in planning or renovating our workplaces to further enhance the health, safety, wellbeing and productivity of our people.

In light of the COVID-19 pandemic impact, we are constantly monitoring ongoing events while evaluating and adopting balanced and objective Credo-based measures across all of our work environments to ensure a safe, healthy and productive return to workplace. The flexibility of our workplace programs enables an efficient alignment between safety, supply and demand while positioning us for an optimized post-pandemic solution.

### Grassroots workplace innovation for safety and convenience:

Johnson & Johnson campuses are often quite expansive, and people move around frequently to and from meetings, as one might expect. Our team in Brazil came up with a clever way to make this easier and safer, with people often carrying laptops, cellphones, notebooks, water bottles and other items as they move around the campus. A series of stands with carry bags for all personal items are therefore now available for everyone to use. Anyone can just grab a bag, use it as required, and return it to a stand once finished, for others to use—a thoughtful, practical and innovative idea to make the workplace a little more accommodating.



An innovative initiative to encourage safety by using reusable tote bags to carry items between meetings at our São José dos Campos manufacturing site in São Paulo.

**75** workplace innovation projects completed since 2010.

**6** workplace projects implemented, improving workplace environments for more than 2,427 employees in five countries.

**12%** increase in employee satisfaction as a result of workplace innovation projects.

**54** Johnson & Johnson buildings are LEED-certified.

## Product Quality, Safety & Reliability

GRI 416-2, J&J19-9

As the largest healthcare company in the world, reaching billions of patients, consumers and customers each day with our medicines, consumer healthcare products and medical devices, Johnson & Johnson plays a major role in advancing human health and improving patient outcomes through the development, manufacturing and distribution of high-quality products. We uphold product quality, safety and reliability in line with Our Credo values and in compliance with applicable laws and regulations in countries where we operate.

Many of our products play a very significant role in improving people's lives—products that patients, consumers and doctors rely on every day. We are therefore highly conscious of the need for continuity of supply to those who use our products to achieve or maintain good health and wellbeing.

“From R&D to commercial to supply chain, everyone at Johnson & Johnson is dedicated to unsurpassed quality in our day-to-day roles. Proactive quality is a central part of our supply chain strategy. Each day we advance our capabilities, transforming our quality processes to connect with our self-learning and hyper-efficient production systems. For example, more and more, we are using real-time data to ensure quality is seamlessly built into our manufacturing lines.”

**Kathy Wengel, Executive Vice President, Chief Global Supply Chain Officer, Johnson & Johnson**



Employees at our Latina, Italy, manufacturing facility participating in our annual Quality Month activities.

## Making Quality a Priority

SASB: HC-BP-250a.3; HC-BP-250a.5; HC-MS-250a.1; HC-MS-250a.4

Our commitment to quality, safety and reliability is the foundation for everything we do. We believe our patients and consumers deserve consistent, reliable and high quality every time they use or experience a Johnson & Johnson product. We partner with health authorities, government agencies and industry and advocacy groups to raise the bar on quality across the healthcare industry. See our [Position on Quality and Compliance](#) which describes our approach to quality policies and standards, risk management, compliance monitoring and more.

One measure of our performance is our product recall rate. Our recall rate remains low because of the rigor of our Quality Standards. Our continuous improvement efforts across all our businesses help to ensure a reliable supply of high-quality products. Initiating a field action, such as removing a product from the marketplace when an issue has been identified, is the right thing to do for our patients and consumers. As required by the Quality Standards, each operating company has a formal Quality Review Board (QRB), which convenes when necessary to evaluate concerns with the quality or safety of a product in the market. The QRBs consist of leaders from Quality, Medical Affairs, Medical Safety and Regulatory Affairs. The QRBs decide, independent of commercial considerations, whether actions need to be taken to correct or recall a product from the market. Patient and consumer safety supersede any other factor in this decision-making.

Initiatives to advance quality in 2019 include:

**Updating quality policies:** The Johnson & Johnson Quality Policy Standards across our Family of Companies cover the lifecycle of our products from R&D to the consumer and patient experience. These Policy Standards provide a common foundation of quality expectations and help to ensure a reliable supply of high-quality products across all our business segments. In 2019, to position Johnson & Johnson to leverage emerging technologies and better serve our customers, we undertook a program to improve clarity, map requirements to applicable regulatory requirements and incorporate Health Authority expectations while enabling flexibility for our diverse

business segments. This restructuring of our Policy Standards resulted in the addition of six new Quality Policies that better reflect the lifecycle of our products.

**Supporting a pilot to improve quality in software-based medical devices:** We continue to engage with the U.S. Food and Drug Administration (FDA) in the [Digital Health Software Precertification \(Pre-Cert\) Program](#). In the current pilot phase, we are testing a working model and providing guidance. The purpose of the pre-certification program is to develop a regulatory framework for oversight of software-based medical devices. In the pilot stage, the focus is on how a company reliably engages in high-quality software design, testing and ongoing maintenance of its software-based medical devices. In 2019, as one of nine selected participants in this pilot, we conducted testing of the Pre-Cert working model v.1.0 published by the FDA early in 2019. In addition to testing the integrated components, we provided guidance on other program considerations in the certification process for manufacturers who use third-party software developers. In 2020, we are planning end-to-end testing of the Pre-Cert model, including its relationship to real-world performance analytics. Ultimately, when completed, the Pre-Cert process will improve speed to market of important medical devices while supporting high quality throughout the lifecycle of medical device products.

**Hosting the 2019 Kilmer Conference:** In June 2019, Johnson & Johnson hosted the 10th Kilmer Conference in Dublin, Ireland, convening over 350 innovative leaders in the field of microbiological quality and sterility assurance. The Kilmer Conference is a premier global forum focused on sterility assurance and sterilization for invited professionals from industry, academia, government agencies and healthcare delivery organizations. The 2019 conference demonstrated the community's ability to think differently to advance the science of microbiological quality and sterility assurance through collaborative innovation under the theme "Passion for Patients, Driving Collaborative Innovation." Beyond the conference, we continue our engagement through the Kilmer Collaboration Teams that support innovation to address specific challenges and deliver better outcomes for customers and patients. The Kilmer Fund provides grants to support innovative research and scholarships for individuals who pursue academic studies and potential career paths relating to microbiology quality and sterility assurance.

**156** independent audits completed at our internal sites

**264** independent audits completed at our external manufacturing sites

### Snapshot

In support of the U.S. Drug Enforcement Agency's National Drug Take Back Day we encouraged our U.S. employees to take an active part and dispose of their non-controlled substance medicines at a list of locations we provided. Members of our Pharmacists Network Employee Resource Group held a series of events ahead of National Drug Take Back Day to highlight the importance of medication safety and remind us that safety is a shared responsibility.

**Annual Quality Month:** Held every October, in 2019, under the theme of "Quality Doesn't Quit!," our global sites took the time to reflect, celebrate, and recommit to Our Credo responsibility that "everything we do must be of high quality" through workshops, trainings and interactive educational sessions.

**Maintaining quality throughout our supply base:** We strive to achieve world-class supplier reliability as part of our commitment to product quality. We collaborate proactively with our suppliers to develop programs, such as those for proactive risk identification and mitigation, to manage, measure and improve quality. Our suppliers demonstrate their commitment to meeting our quality and reliability standards through using our suite of proactive tools, many co-developed with our suppliers, such as Technical Assessments, Supplier Quality Excellence in Execution tool, Robust Process framework and our Supplier Quality Academy.

Feedback received from our suppliers in 2019 includes:

- Jabil Healthcare:** “For years, Jabil Healthcare and Johnson & Johnson have enjoyed an incredibly productive and sustaining partnership; we are now moving on into our second decade. Throughout this period, we have worked diligently together to drive quality management while improving our processes. Johnson & Johnson introduced a powerful and effective suite of management tools for both Technical Assessment and Supplier Quality Maturity Assessment out of our Auburn Hills, Michigan site. Deployment of these tools is based on pre-defined criteria to evaluate processes and practices at our site operations. The results have been excellent, driving efficiencies and value across our operations. We are deeply appreciative of the robust nature of our collaboration and are eager to continue moving forward with Johnson & Johnson.” **Z. Ali Choudary, Quality and Regulatory Affairs Manager, Jabil Healthcare**
- Tecomet, Inc.:** “The Supplier Quality Excellence in Execution Maturity Assessment has been a powerful tool for identifying and targeting improvement opportunities between our sites. It provides dual benefits—identifying both strengths and improvement opportunities between our global locations. This subsequently brings our teams together, promoting focused sharing and learning between sites. An exceptionally effective process.” **Steve Hinora, Executive Vice President, Quality Assurance/Regulatory Affairs, U.S. Operations, Tecomet, Inc.**
- VIANT Medical:** “Innovative Source Quality programs rolled out by Johnson & Johnson, such as Technical Assessments and Maturity Assessments, have aided in developing a true partnership with our organizations. These activities provide a true open forum for information sharing and provide lasting improvements that enhance product quality and reduce long-term risk. There is great value to gaining a deep understanding of processes through the execution of these well-designed tools. The systemic approach is easy to use and sets the stage for continual improvement through all aspects of the product lifecycle.” **Von F. Kramer IV, Vice President, Quality Assurance and Regulatory Affairs, VIANT Medical**

## Our Performance

### Product Quality Indicators

	2019	2018	2017
Number of regulatory inspections of Johnson & Johnson sites by worldwide health authorities	521 <sup>†</sup>	619	557
Percentage of inspections that resulted in zero observations	73% <sup>†</sup>	78%	71%
Number of FDA inspections of Johnson & Johnson sites	17 <sup>†</sup>	24	63
Percentage of FDA inspections that resulted in zero observations	76% <sup>†</sup>	75%	83%
Average number of observations per FDA inspection	0.6 <sup>†</sup>	0.6	0.7
Number of independent audits of Johnson & Johnson sites to ensure compliance with Johnson & Johnson Quality Policy and Standards	156 <sup>†</sup>	179	179
Number of independent audits of external manufacturing sites to ensure compliance with Johnson & Johnson Quality Policy and Standards	264 <sup>†</sup>	237	Not reported
Number of FDA warning letters issued	1 <sup>†</sup>	0	0
Product recall rate*, by business segment			
Pharmaceutical	0.002	Not reported	Not reported
Medical Devices	0.041	Not reported	Not reported
Consumer Health**	0.091	Not reported	Not reported

\* Product recall rate is defined as number of lots removed from market per total globally manufactured, based on field action removals where there is a reasonable probability that the product may cause temporary or medically reversible adverse health consequences and in certain cases will cause serious adverse health consequences.

\*\* For Consumer Health, the product recall rate reflects over-the-counter (OTC) products.

† See [PwC's Report of Independent Accountants](#).



## Putting Safety First

GRI 416-1

At Johnson & Johnson, we recognize our fundamental responsibility is to provide patients, consumers and healthcare providers with products that are as safe as possible. We take an evidence- and science-based, ethics- and values-driven approach to medical safety, putting patient and consumer wellbeing first and foremost in our decision-making and actions, with an emphasis on transparency.

The **Office of the Chief Medical Officer (OCMO)** is a global, functionally independent group responsible for leading medical safety and championing bioethical principles across Johnson & Johnson's Pharmaceutical, Medical Devices and Consumer Health business segments. Johnson & Johnson's OCMO is constantly reviewing, monitoring and making decisions regarding the safety of our products through **people-driven processes**, initiatives and policies that are reinforced by a single medical safety standard, to which all our products are held.

See our positions and policies relating to patient safety:

- [Position on Patient Safety](#)
- [Position on Clinical Trial Data Transparency](#)
- [Position on the Conduct of Clinical Trials](#)
- [Ethical Code for the Conduct of Research and Development](#)
- [Position on Human Pluripotent Stem Cell Research](#)

Advances in patient safety in 2019 include:

**Sharing real-world data:** We believe in the **collective power of real-world observational data** to complement clinical trial findings, and in sharing our insights to improve health outcomes. As part of the **Observational Health Data Sciences and Informatics (OHDSI)** community, created by Johnson & Johnson and Columbia University, researchers including scientists from Johnson & Johnson's Epidemiology team **published a paper in *The Lancet*** that presented an analysis of large-scale observational data on hypertension therapy. This analysis, which included nearly five million patients across nine observational databases in four countries, was significant. It uncovered new insights into safety and efficacy differences between classes of hypertension medicines with real insights that can advance clinical practice. Additionally, the findings presented a new paradigm for conducting large-scale observational healthcare science while addressing common biases of observational research.

**Women scientists for safety:** It is important to ensure that women are included in seeking ways to apply healthcare data to better serve the health of women and enhance the safety of health treatment for women. In September 2019, OHDSI launched its first Women of OHDSI (WoO) leadership group. It provided a forum for women to discuss challenges they face as women working in science, technology, engineering and mathematics (STEM) and propose ideas on how to support and inspire women in STEM to become leaders within the community and their respective fields.

“To fully leverage the usefulness of big data in improving patient outcomes, we need to ensure we are harnessing all the best minds. That means engaging both women and men to share their perspectives and ideas on interpreting and utilizing real-world data to drive better, more efficient and targeted medical care.”

**Joanne Waldstreicher, M.D., Chief Medical Officer, Johnson & Johnson**

**Real-world evidence in China:** In September 2019, the Johnson & Johnson Epidemiology Asia-Pacific team and Medical Device Epidemiology team participated in a Real-World Data (RWD) Study Workshop organized by the China National Medical Products Administration (NMPA), along with other pharmaceutical and medical device companies. The focus of the meeting was on the use of RWD and real-world evidence (RWE) for regulatory decisions for drugs and medical devices, and preceded the NMPA's publication of guidelines for RWE use for regulatory purposes. The workshop brought together more than 400 participants, including Johnson & Johnson colleagues and regulators from Chinese, Japanese, German and U.S. health authorities. OCMO's participation in the Chinese NMPA's workshop on RWD/RWE as subject matter experts helped to frame NMPA regulatory guidelines for using RWE that are feasible, informed and consistent with global guidelines, though adapted to the Chinese situation, through robust and transparent science.

**Safety for medical devices:** Training operating room teams on how to safely and efficiently use new surgical devices is pivotal to ensuring safe patient care. Following a four-month pilot study of a Medical Device Briefing Tool in six hospitals in Thailand, in August 2019, the results were published by the *Journal of Surgical Research*. The results of the study, conducted by Ariadne Labs and Johnson & Johnson's OCMO, showed that the Device Briefing Tool was uniformly viewed as useful and able to fit within existing workflows. Collaborating with Ariadne Labs to develop the Medical Device Briefing Tool and training materials has been an important step for Johnson & Johnson in empowering surgeons and nurses to increase communication and teamwork in the operating room to deliver better, safer patient outcomes.

**Improving safety surveillance:** We are continuously seeking new ways to improve safety signal detection for real-time surveillance. In 2019, we rolled out an important upgrade to our proprietary Signal Management for Adverse Events in Real Time (SMART) system, which has been a valuable tool to monitor product safety signals with efficiency, sensitivity, and specificity. The upgrade, SMART 6, includes new algorithms to improve focus on key safety alerts. It helps identify new safety risks with enhanced predictive capabilities that increase surveillance coverage and include organized data collection systems, such

as registries and patient surveys. SMART 6 also decreases false positive safety alerts, surfacing alerts with solid contextual and supportive evidence. With SMART 6, we can execute improved and more efficient safety surveillance of all Johnson & Johnson pharmaceutical and consumer medicinal products.

### Consumer Health products: ingredient safety

The safety of our consumers is and always has been our priority. Our safety assurance process exceeds industry and regulatory standards for baby and skin health personal care products. We continuously evaluate ingredients used in our products and modify formulations, where relevant, in response to consumer preferences, advances in science and our own scientific research. See our [Position on Consumer Safety and Care](#).

**Talc safety:** During the past year, cases alleging that JOHNSON's Baby Powder can cause adverse health effects have continued. However, to date each verdict against Johnson & Johnson that has been through the appellate process has been overturned. We sympathize deeply with cancer patients and their families and appreciate that they are seeking answers. However, the science and the facts show that their illnesses were not caused by their use of our talcum-based products. Our website [www.factsabouttalc.com](http://www.factsabouttalc.com) includes independent studies from leading universities, research from medical journals and third-party opinions confirming that our talc is safe. The facts are that JOHNSON's Baby Powder is safe, does not contain asbestos, and does not cause cancer.

## Combating Counterfeiting & Illicit Trade

GRI J&J19-4  
SASB: HC-BP-260a.1; HC-MS-430a.2

In today's global economy, where patients and consumers may potentially be exposed to counterfeit products in stores, online, or even in healthcare settings, we take tangible steps to help ensure that they receive only genuine products of the Johnson & Johnson Family of Companies. See our [Position on Counterfeit Healthcare Products](#).

Our advanced capabilities in data analytics include leveraging innovative digital technologies to enhance supply chain integrity, safeguard our markets (through early detection of the presence of illicit trade), and more effectively expose the sources, networks and patterns of illicit trade throughout our global markets and channels. Our robust process for alerting customers and business partners of confirmed instances of counterfeiting, illegal product diversion or product tampering activities is governed by standard operating procedures and regulatory requirements. We maintain traceability within the distribution chain through an enterprise-wide Unique Device Identification (UDI) program to comply with global regulations, and satisfy customer requests related to data submissions, barcodes, and direct marking. Our current efforts include achieving compliance for published UDI regulations in several countries.

Advances in combating illicit trade in 2019, alongside all current measures and protocols in place to protect patients and consumers from counterfeit products, include:

- **Preventing cross-border counterfeits:** We established a global customs program to improve the detection and disruption of cross-border flows of illicit Johnson & Johnson products, with a focus on risk-prioritized trademarks. We led education and training sessions for customs officials to familiarize them with protocols for rapid response to notifications of suspect product.
- **Product security investigations and enforcement (PSI&E):** Through collaboration across several functions, we implemented a standardized global program for PSI&E. This will significantly improve our ability to action against any confirmed illicit trade incidents in a coordinated and effective manner to disrupt illicit trade and remove illicit product from the marketplace.
- **Addressing illicit trade online:** We expanded the internet monitoring program across our Pharmaceutical, Medical Devices and Consumer Health business segments, enabling us to monitor more than 150 brands that are at risk for infringing e-commerce listings, along with enhancing our capability for online-to-offline investigations of illicit trade. In conjunction with the Pharmaceutical Security Institute and other major pharmaceutical companies, we also continued to build on our extensive efforts to stop illegal online pharmacies.

- **Monitoring markets:** We expanded our offline market monitoring program for prioritized at-risk brands across all Company sectors and doubled the number of market surveys conducted. These activities helped deliver results that included several investigations and enforcement actions.
- **Training our employees:** We introduced a brand protection and combating counterfeiting module into our Code of Business Conduct training, which is mandatory for all employees. This fulfilled a major goal to raise the understanding and awareness of illicit trade issues among our employees, so they can be proactive about protecting our patients and consumers.

### Our Performance

	2019
Number of people (stakeholders) trained in brand protection best practices	523
Number of external trade groups, alliances, organizations and agencies in which Johnson & Johnson is engaged in leadership positions or industry working groups	9

# Ethics & Transparency

Johnson & Johnson has an aligned and consistent global ethical framework along with clear and comprehensive resources that guide all employees. Johnson & Johnson operating companies conduct a wide range of activities in the healthcare marketplace, including R&D, manufacturing, medical education, product and procedure training, marketing and selling. These interactions involve many different healthcare stakeholders as well as employees, suppliers, business partners and officials from governments and health authorities around the world. A variety of legal and ethical standards, some of which are unique to the healthcare industry, apply to these activities. We take every reasonable measure to ensure that we all operate in accordance with ethics and compliance laws and standards, and with the transparency expected by our stakeholders.

## Commitment to Ethics & Compliance

GRI 102-17, 102-25, 205, 205-1, 205-2, 206, 406-1, 419

Our responsibilities to patients, consumers, healthcare professionals, employees, communities and shareholders are enshrined in **Our Credo**. This is the foundation of our values that has guided our business for more than 75 years. At Johnson & Johnson, we are committed to maintaining the highest level of integrity and ethical culture. Our comprehensive policies, procedures and compliance training help our employees and contingent workers navigate the applicable laws, regulations and industry codes, as well as our own ethical standards. See our [Position on Ethics and Compliance](#).

Our **Code of Business Conduct (CBC)** and Health Care Compliance (HCC) policies specifically set forth our Company's values, which apply to all employees and contingent workers worldwide. They list comprehensive ethical standards for decisions and actions in every market where we operate. The CBC and HCC policies are regularly communicated, and mandatory training for HCC is conducted each year with CBC training every other year. The **Johnson & Johnson Credo Hotline**, an integral component of our strong compliance

culture, offers a secure channel for all employees, contingent workers, customers, third-party agencies and other partners to anonymously report—where legally permitted—suspected violations. We issue an annual reminder regarding the obligation to raise concerns related to ethics and compliance via the Credo Hotline and other channels.

In 2019, we maintained our robust programs to communicate, train and enforce our business conduct standards. Key additional activities in 2019 include:

**Revision of the CBC:** In 2019, we updated our CBC to keep pace with the evolving business environment, changes in regulatory requirements, and expectations of stakeholders, and be able to offer needed guidance for employees around the world. During an interactive, collaborative process over nine months, involving leaders of different businesses functions, we implemented several changes, including:

- Enhancing the section on anti-corruption and anti-bribery;
- Adding a section on our respect for human rights;
- Improving guidance around political activity;
- Enhancing guidance on fair treatment of employees, including adding reasonable accommodation requirements for individuals with disabilities and/or with needs relating to religious observances; and
- Enhancing the section on conflicts of interest to reflect not only personal conflicts of interest, but those of an organizational nature as well.

These changes were approved by our Executive Committee, reviewed by our Board of Directors' Regulatory Compliance Committee and incorporated in our CBC training for all employees.

**97%** of assigned employees and

**91%** of assigned contingent workers<sup>15</sup> completed the CBC training.

**90,000** employees and

**95%** of sales and marketing employees completed the Health Care Compliance training.

**97%** of employees believe they are held accountable for adhering to the highest quality and compliance standards.

**100%** of senior leaders certified the compliance of their organizations with the Code of Business Conduct.\*

\* Certifiers include senior leaders at VP2 level and above, selected Managing Directors and General Managers based on country or business segment risk profile, and executives of recently acquired companies.

**Communicating our Escalation Procedure:** At our Company, we build our culture of integrity and accountability by requiring employees to report actual or potential violations of our policies or the law, as well as risks that could jeopardize our reputation. The Escalation Procedure specifies responsibilities for all employees relating to what should be reported, the timeframe, and how. It includes reporting requirements and guidance for the full range of actual or potential ethical conduct or compliance violations such as those related to travel and expenses; accuracy of books and records; theft or fraud in any form; non-compliance with our government contracts or pricing obligations; misconduct of any kind; conflict of interest or data privacy breaches and more. In 2019, a comprehensive toolkit with training materials, real-world case scenarios and video resources was published to all managers to support the enterprise-wide communication of this important procedure.

**Anti-corruption and anti-bribery:** Johnson & Johnson takes a strong stance against bribery consistent with the anti-bribery laws that exist in many countries around the world. We strictly prohibit any illegal offers that may inappropriately influence patients or customers. Our products are purchased and sold based on quality and price. In our policies, we comprehensively address anti-corruption and anti-bribery, following the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and other applicable local anti-bribery and anti-corruption laws and regulations. In 2019, we updated our [Position on Anti-Corruption](#).

### Our Performance

#### Inquiries and Complaints Brought through the Credo Hotline by Category

	2019	2018	2017
Human Resources-related	60%	58%	59%
Financial-related	13%	11%	10%
General information questions	11%	13%	12%
Other (privacy, general security, EH&S, etc.)	8%	10%	11%
Healthcare compliance-related	6%	6%	6%
Quality assurance-related	2%	2%	2%

#### Compliance-related Investigations

	2019	2018	2017
Number of compliance-related allegations investigated through Triage Committee	738	707	693
Percentage of Compliance allegations, by category			
Financial	50%	40%	34%
Healthcare Compliance	40%	46%	54%
Other (legal, quality, antitrust, product registration, privacy)	10%	14%	12%
Number of warning letters or untitled letters issued by OPDP or APLB in the U.S.*	0	Not reported	Not reported

\* OPDP: Office of Prescription Drug Promotion and APLB: Advertising and Promotional Labeling Branch of the U.S. Food and Drug Administration Center for Biologics Evaluation and Research.

## Upholding Transparency

GRI 417, J&J19-6

At Johnson & Johnson, we value transparency as a key component of trust building with all those engaged in any way with our business. We strive to hold ourselves accountable by providing information about how we operate across our operating companies and markets. We recognize and comply with the multiple reporting requirements that regulatory bodies governing our three business segments define and, in addition, we publish a wide range of other regulatory and voluntary disclosures. See our [Position on Transparency](#).

**Pricing transparency in the United States:** We publish our annual Janssen U.S. Transparency Report that includes how we invest our resources, price our medicines, and help people who need Janssen medicines gain access to them. See the latest Report [here](#).

**Improving clinical data transparency:** Johnson & Johnson was a key contributor to documents on clinical data transparency and patient privacy that were first developed and shared through TransCelerate Biopharma, a nonprofit that encourages collaboration across the biopharmaceutical community to streamline and accelerate the R&D of innovative new therapies. Now, this evolving guidance is accessible to an even broader global community. In June 2019, a TransCelerate working group transferred two “living documents” to PHUSE, a nonprofit, volunteer-supported community of pharmaceutical industry colleagues. PHUSE provides collaboration tools and resources to encourage worldwide interaction. Its members include data managers, biostatisticians, statistical programs and eClinical IT professionals. Janssen colleagues are active in PHUSE, and played a leading role in organizing PHUSE’s 2019 conference in the United States.

**Responding to concerns about opioids:** Johnson & Johnson is committed to ensuring its medicines are used correctly, including by providing important information about their risks and benefits on every product label. Responsibly used, opioid-based pain medications play a critical role in helping doctors and patients manage the debilitating effects of serious pain, and the Company’s pain medicines were designed to prevent and deter abuse with some of the lowest rates of abuse among

prescription opioid pain medicines. The Janssen Pharmaceutical Companies of Johnson & Johnson no longer develop or promote opioid-based pain medicines, and since 2008, the volume of its prescription opioids has amounted to less than one percent of the total prescriptions written per year for opioid medications in the United States.

## Bioethics

GRI J&J19-3

Johnson & Johnson is strongly committed to ensuring that our employees have both the resources and training to help them address difficult and complex bioethical questions that may arise during the course of their day-to-day work. To address the complex ethical questions arising in the field of biological research, science and medicine, our global [Johnson & Johnson Bioethics Committee \(JJBC\)](#), sponsored by the Chief Medical Officer, serves as an advisory body to our worldwide teams on ethical issues. Composed of a diverse group of internal medical experts with training and experience in evaluating bioethical questions, the JJBC is responsible for advocating adherence to bioethical principles, providing an expert forum for teams to obtain guidance on bioethical issues, and for championing our commitment to ethical decision-making across the Enterprise. JJBC is guided by the fundamental principles of bioethics, including beneficence, non-maleficence, autonomy and justice, and our [Ethical Code for the Conduct of Research and Development](#).

Our advances in the field of bioethics in 2019 include:

**Innovation in pre-approval access to investigational medicines:** Our [Compassionate Use Advisory Committee \(CompAC\)](#) is a novel approach that Johnson & Johnson employs globally to provide a fair, ethical evaluation of [compassionate use requests for specific investigational medicines](#) for patients with serious or life-threatening diseases.

In December 2019, CompAC, an initiative we developed in collaboration with the New York University School of Medicine, was honored to be the winner of the Reagan-Udall Foundation 2019 Innovation Award. The Reagan-Udall Foundation selected CompAC because of the Foundation’s belief that these types

of important healthcare decisions benefit from fair and ethical evaluation. CompAC is a novel approach that utilizes an external group of experts including physicians, ethicists and patient representatives to review compassionate use requests. CompAC offers a more consistent, transparent and equitable approach to navigating the challenges associated with pre-approval access while maintaining U.S. Food and Drug Administration oversight.

**Responsibly sharing clinical trial data to improve public health:** Sharing clinical trial data advances the science that is the foundation of medicine. By making clinical trial data available to other researchers and scientists, we enable them to test new hypotheses, answer new questions and potentially find new treatments. Most importantly, we honor the study participants by giving their data new life for the advancement of public health. Since 2014, Johnson & Johnson’s Office of the Chief Medical Officer has been working with the [Yale University Open Data Access Project](#), also known as the YODA Project, to enable a consistent and objective approach for assessing external research proposals requesting the use of clinical trial data from our Pharmaceutical, Medical Devices or Consumer Health business segments. To date, more than 30 articles have been published using data shared through the YODA Project that would not have otherwise been possible. In this way, important research can stand on the shoulders of research that has already been conducted and participant data can continue to contribute to improving public health.

## Animal welfare

Johnson & Johnson is committed to ensuring the ethical treatment of animals used in laboratory settings to advance patient safety and wellbeing. Johnson & Johnson operating companies have policies and guidelines in place that assure the ethical and humane treatment of the animals and promote the use of non-animal alternatives whenever feasible. We support and participate in efforts to obtain regulatory acceptance of alternative testing methods. See our [Humane Care and Use of Animals Policy](#).

In 2019, we maintained our ethical approach to the human care and use of animals by strictly upholding our animal care and use that are intended to meet or exceed all applicable regulations, including the “3R” Principles:

- **Replacement:** using alternative non-animal systems in place of live animal utilization whenever possible.
- **Reduction:** using the minimum number of animals possible to achieve maximum information without compromising animal welfare.
- **Refinement:** continually modifying procedures to limit animal discomfort and distress.

In 2019, we developed a fully functioning non-animal model to provide comprehensive training on our Medical Devices product portfolio, and developed 3D-printed anatomical models and virtual reality-based options for training residents and fellows in the use of our medical devices. We also updated our Consumer Health [Safety & Care Commitment](#) online resource with enhanced information on our position regarding cosmetic animal testing.

## Respect for Human Rights

GRI 102-41, 402, 402-1, 406, 407, 408, 409, 412, 412-2

Johnson & Johnson is committed to respecting human rights of individuals throughout our value chain as evident in our policies and positions available on our website:

- [Code of Business Conduct](#)
- [Position on Human Rights](#)
- [Human Trafficking Policy](#)
- [Position on Employment and Labor Rights](#)
- [Position on the Conduct of Clinical Trials](#)
- [Responsibility Standards for Suppliers](#)
- [California Transparency in Supply Chains Act and UK Modern Slavery Act Statement](#)
- [Position on Human Right to Water](#)

**Governance:** The Enterprise Governance Council (EGC), a global, cross-functional team of senior leaders representing functional groups and three business segments, oversees enterprise-wide human rights due diligence work. Quarterly EGC meetings provide a forum for updates on human rights topics, with an established process for elevating issues to the Johnson & Johnson Executive Committee, our Board of Directors and Board Committees if warranted.

In 2019, we reviewed and updated our governance structure for human rights due diligence across our value chain by establishing the Enterprise Human Rights Governance Council (EHRGC) that reports directly to the EGC. The EHRGC is a team of experts representing main enterprise functions responsible for various aspects of human rights due diligence and management across our own operations and the supply base, including Supply Chain, Human Resources, Global Procurement, Law Department, Corporate Governance, Government Affairs & Policy, and Environmental Health, Safety & Sustainability (EHS&S). In 2019, the EHRGC engaged with Shift, the leading center of expertise on the United Nations (UN) Guiding Principles on Business and Human Rights, to help us identify and prioritize salient human rights issues at the enterprise level in a two-day workshop involving about 40 leaders across the Company. The outcomes of the workshop have informed the EHRGC's 2020 workplan and activities to continue strengthening our human rights due diligence approach. Johnson & Johnson also joined Shift's Business Learning Program to continue and deepen our engagement with Shift and be part of a cross-industry network of companies working to develop sustainable approaches to implementing the UN Guiding Principles on Business and Human Rights.

**Our own operations:** Our [Position on Employment and Labor Rights](#) articulates our expectations for labor and employment practices at our sites, including preventing forced labor and child labor, and non-discrimination, among other matters. In 2019, we continued developing a risk-based approach to assessing compliance with our internal standards related to the human rights of our employees.

Our operating companies are required to respect each employee's right to make an informed decision, free of coercion, about membership in associations and/or labor unions. Employees have the right to organize or join associations, and

bargain collectively, if they so choose. The Company and its operating companies are required to bargain in good faith with these associations.

**20%** of employees covered by collective bargaining agreements

Minimum notice periods, the management of reorganizations and layoffs, and the policies associated with such actions vary depending on the location, nature, size and scale of the action and applicable law. Local operating leaders endeavor to communicate significant plans of operational changes to employees and their representatives, where they are present, in a timely and practical manner in advance of actions being taken. Many of our collective bargaining agreements contain negotiated provisions covering severance or separation pay and benefits. Where there is no legal minimum notice period, Johnson & Johnson operating companies typically provide 30 days' notice.

Our approach to talent management puts a strong focus on diversity and inclusion principles. We promote diversity and equal opportunity in recruiting, development and promotion as well as all other aspects of employee careers. To read more, please see our [Diversity & Inclusion Policy](#). As outlined in our [Position on Providing a Safe and Harassment-Free Workplace](#), we do not tolerate discrimination, harassment or bullying, and provide various training courses on this policy, including within our Code of Business Conduct training.

## About Johnson &amp; Johnson

## Our Approach

## Better Health for All

## Responsible Business Practices

## Environmental Health

## Data &amp; Downloads

**Supply base:** The Johnson & Johnson **Responsibility Standards for Suppliers** outline our expectations of supplier business conduct. The Standards align closely with the UN Guiding Principles on Business and Human Rights and the Consumer Goods Forum Forced Labor Resolution and Priority Industry Principles. We continue to strengthen our due diligence approach to human rights issues in the supply base. Our cross-functional Human Rights Working Group—comprised of Global Procurement, Law Department, EHS&S, and Corporate Governance functional groups—meets regularly, and continued to make progress on expanding our social audit program in 2019. This Human Rights Working Group reports up through to the newly established EHRGC. To read more, see our **Position on Responsible Supply Base** and **Engaging Suppliers** section of this Report.

**Training:** Our human rights training covering all aspects of our **Position on Human Rights** is mandatory for all Global Procurement employees and is also assigned to other relevant functions as needed.

**1,532** or **93%** of all Global Procurement employees completed human rights training since 2018

**Acquisitions:** We firmly believe that identifying and understanding environmental, safety and employee issues, including potential human rights concerns, are critical components of our acquisition and other business development activities. We conduct thorough due diligence investigations prior to acquiring businesses and apply a commensurately higher level of scrutiny to businesses with operations or suppliers in countries where there are traditionally higher risks of compliance violations and/or human rights abuses. We continue to be mindful of these concerns as we transition newly acquired businesses into the Johnson & Johnson Family of Companies, and are prepared to escalate and appropriately remediate any issues uncovered.

**Grievance mechanisms:** We are committed to providing effective resolution where we have caused or contributed to adverse human rights impacts. Where we find impacts directly linked to our business relationships, we will use our influence to work with our suppliers or business partners to prevent, mitigate and address adverse impacts on human rights. The Johnson & Johnson **Credo Hotline**—a grievance mechanism available to all employees, suppliers and other business partners—offers a secure mechanism for anonymous reporting, where permitted, of suspected concerns or potential violations of our policies or the law. We communicate the hotline access broadly, and the visibility of this access and hotline functionality is in scope for enterprise-wide audit procedures. Concerns raised through the hotline are reported at an enterprise level. More information on the Credo Hotline is available in our **Commitment to Ethics & Compliance** section.

In addition to the Credo Hotline, our employees can anonymously report potential violations to the Human Resources function within each operating company locally. To read more, see our **Position on Resolving Employee Grievances**.

## Information Security & Data Privacy

GRI 418

Johnson & Johnson is committed to protecting its information assets. Our Information Security and Risk Management (ISRM) organization, led by our Chief Information Security Officer, has global reach with a presence in all regions of the world, and provides ongoing security consulting on relevant policies, procedures and requirements to all Johnson & Johnson businesses. ISRM has developed a robust program, which constantly enhances our security capabilities to safeguard the Company's networks, systems, products, and information against evolving cyber threats. In terms of data privacy, it is our strict policy to protect the privacy of those who entrust us with their personal information. In addition to our **Code of Business Conduct** and all the laws that apply to our operating companies' handling of personal information, we also have global privacy policies to which all our businesses worldwide must adhere. Our policies reflect our commitment to fair and transparent information practices.

Our advances in the area of information security and data privacy in 2019 include:

- **Enhanced compliance capabilities:** We increased efforts to ensure compliance with the growing number of new privacy and cybersecurity laws around the globe, which all have security and/or data protection requirements. For example, we collaborated widely across our organization to become compliant with the new California Consumer Privacy Act, which became effective on January 1, 2020. The Act is focused on providing California consumers with the ability to request access to, correction of, and deletion of their data as well as opting out of allowing a company to sell their information. Remediation of over 100 websites controlled by Johnson & Johnson and the establishment of processes to support consumer requests were required to be compliant.
- **Improved product security:** We partnered with product teams, providing consulting and engineering support for multiple pre-market medical devices and post-market product lines, increasing confidence that cybersecurity controls are in place to ensure the availability of the devices and the confidentiality and integrity of their associated data.
- **Improved controls in our supply chain:** We defined a cybersecurity strategy and initiated a multi-year program to improve technical and administrative cyber controls within Johnson & Johnson's supply chain across 125 manufacturing and delivery sites. The program will raise the security and resiliency of our supply chain systems and our ability to achieve supply continuity of our products to both patients and consumers.
- **Reinforced internal cybersecurity controls:** As every year, we continued to improve our cybersecurity controls to protect our enterprise networks, computing resources, and data from the expanding and evolving cybersecurity threats across our worldwide business.

## Corporate Governance

GRI 102-18, 102-22, 102-23, 102-24, 102-26, 102-33

We believe that good corporate governance results from sound processes that ensure that our Board of Directors is well supported by accurate and timely information, sufficient time and resources, and unrestricted access to management. The business judgment of the Board must be exercised independently and in the long-term interests of our shareholders and stakeholders.

We also believe that ethics and integrity cannot be legislated or mandated only by directive or policy. So, while we adopt our Principles of Corporate Governance, we reaffirm our belief that the ethical character, integrity and values of our Directors and senior management remain the most important safeguards of corporate governance at Johnson & Johnson.

“The Board understands that concern for environmental, social and governance matters is critical to achieve the Company’s goal of tackling pressing global health challenges through innovative products and solutions for patients and customers around the world, now and in the future. The Company’s long-term success depends on effectively serving all Credo stakeholders, and that is why we work closely with management to continually improve its approach to assessing, managing and overseeing ESG risks and opportunities, and to ensure that the Company is meeting its commitment to sustainable and responsible growth.”

**Mary C. Beckerle, Ph.D., Independent Johnson & Johnson Board Member and Chair, Science, Technology & Sustainability Committee**

**93%** of Directors on the Board in 2019 were independent

### Endorsing a new statement on the Purpose of a Corporation

The Business Roundtable’s Corporate Governance Committee released a new statement on the Purpose of a Corporation, which affirms its member CEOs’ commitment to a broader set of stakeholders including customers, employees, and communities, as well as shareholders. A total of 183 CEOs signed the statement on behalf of their organizations. Since 1978, Business Roundtable has periodically issued Principles of Corporate Governance. Each version of the document issued since 1997 has endorsed principles of shareholder primacy – that corporations exist principally to serve shareholders.

The 2019 statement supersedes previous statements and outlines a modern standard for corporate responsibility. This is not new for Johnson & Johnson: Our Credo, established in 1943, and including subsequent updates, already established our commitment to patients, customers, employees, communities and the environment, as well as to stockholders in our Company.

“This new statement better reflects the way corporations can and should operate today. It affirms the essential role corporations can play in improving our society when CEOs are truly committed to meeting the needs of all stakeholders.”

**Alex Gorsky, Chairman, Board of Directors and Chief Executive Officer, Johnson & Johnson**

Our Board of Directors oversees our business in alignment with **Our Credo** values, enabling us to make a positive contribution to society while maintaining a thriving business. Our governance structure, policies and processes are designed to serve the needs of our business, our shareholders and stakeholders, and to promote a culture of accountability across the Company. Our Board of Directors remains accessible to all stakeholders and **can be contacted** via several channels.

We are a signatory to the **Commonsense Corporate Governance Principles 2.0** and are committed to using these standards to inform the corporate governance practices within Johnson & Johnson. The Commonsense Principles 2.0 aspire to promote a constructive dialogue on good corporate governance for the benefit of millions of Americans who work for and invest in America’s public companies.

We maintain a full suite of information and resources relating to corporate governance on our Johnson & Johnson corporate website, including our **Principles of Corporate Governance**, governance structures, Board Charters and all SEC filings. See also our **Position on Corporate Governance**.



Updates relating to corporate governance from 2019 include:

**Board engagement:** Our Board of Directors believes that long-term leadership in healthcare requires strong governance and steadfast oversight of the Company’s most significant opportunities and risks. Our Board is deeply engaged in overseeing our quality and compliance practices to ensure that they are designed to produce safe, high-quality products. Our Board also believes that current and future success depends on strong, ethical leadership that reflects Our Credo values. The Board focused on the Company’s approach to talent development, succession planning and diversity and inclusion, and reviewed the results of our biennial Our Voice Employee Survey to ensure that the Company is fostering a culture of inclusion and compliance.

**Enterprise Risk Framework:** Our Enterprise Risk Management (ERM) Framework assists the Board and management teams in identifying potential business risks. In 2019, we updated the Johnson & Johnson ERM Framework to align with the Committee of Sponsoring Organizations of the Treadway Commission’s 2017 ERM Framework update, which highlights the importance of considering risk both in the strategy-setting process and in driving performance. Our updated **Enterprise Risk Management Framework** is now available on our website.

**Effectively informing stakeholders:** In the spirit of good governance and transparency, we believe it is important to inform our stakeholders of our approach on key topics involving sustainability and citizenship, and, at the same time, make this information accessible. In 2019, we embarked upon a comprehensive review of all our policies and positions relating to sustainability and citizenship and key topics in advancing healthcare. This project, involving experts and senior executives from almost every function across our business, resulted in our new **ESG Policies & Positions** section on **JNJ.com**, which enables stakeholders to easily search for our approach to key topics of interest, and also locate clusters of related topics. In 2019, we extended our efforts to better inform shareholders with expanded disclosure on Board oversight of strategy and risk, and narrative on the oversight of human capital management in our Proxy Statement.

## Our Performance

### Corporate Governance Indicators

	2019	2018	2017
Number of Directors on the Board	<b>14</b>	11	10
Number of independent Directors on the Board	<b>13</b>	10	9
Percentage of independent Directors on the Board	<b>93%</b>	91%	90%
Lead independent Director	<b>Yes</b>	Yes	Yes
Independent Audit Committee	<b>Yes</b>	Yes	Yes
Independent Compensation & Benefits Committee	<b>Yes</b>	Yes	Yes
Independent Nominating & Corporate Governance Committee	<b>Yes</b>	Yes	Yes
Independent Regulatory Compliance Committee*	<b>Yes</b>	Yes	Yes
Independent Science, Technology & Sustainability Committee	<b>Yes</b>	Yes	Yes
Number of regular and special meetings held by the Board of Directors	<b>9</b>	9	9

\* Prior to 2019 this Committee was called Regulatory, Compliance & Government Affairs.

# Responsible Supply Base

GRI 102-9, 204, 204-1 SASB HC-MS-430a.3

As the world’s largest healthcare company, Johnson & Johnson maintains operations in virtually all countries of the world and works with more than 58,000 suppliers across three business segments. We manage a complex network of supplier relationships that are critical to business success and our ability to fulfill our obligations to those we serve.

We believe in maintaining strict controls to minimize negative impacts of our supply activity on the environment and people, and seek to ensure human rights are upheld in our supply chain. We work with suppliers who share our values and commitment to operating responsibly. All suppliers are expected to comply with our [Responsibility Standards for Suppliers](#), and this is reflected in our contracts. Our management of human rights in the supply chain is led by a cross-functional working group with Procurement, Legal, Corporate Governance and Environmental Health, Safety & Sustainability (EHS&S) representatives. This group meets regularly to address issues and advance plans, such as our supplier audit programs. Our Procurement employees complete mandatory training on our Responsibility Standards each year. See also our [Position on Responsible Supply Base](#).

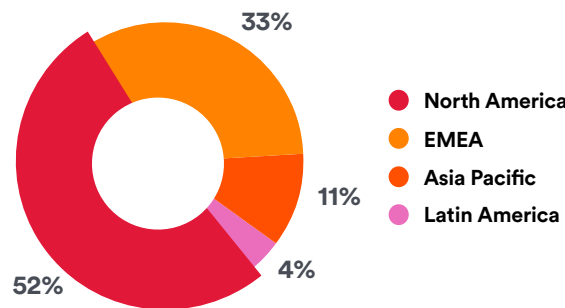
In this section, we describe our progress in 2019 to engage, assess and monitor suppliers in practices inclusive of economic, social, and environmental sustainability.

**58,000** suppliers globally  
**\$30.1 billion** total supplier spend\*

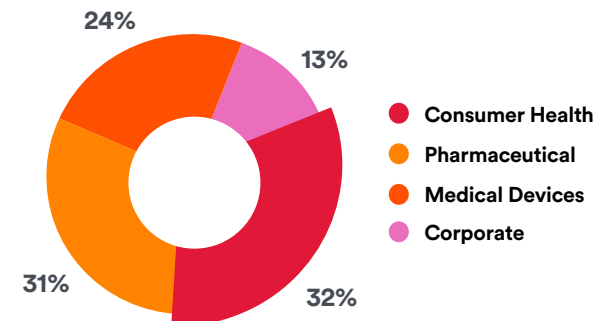
“ We make a strategic and positive impact for all of our stakeholders through our long-term approach to sustainable procurement including economic, social, and environmental sustainability. This means that we work closely with our global supplier community to amplify and expand the reach of our activities beyond today—for our collective future.”

**Len DeCandia, Chief Procurement Officer,  
 Johnson & Johnson**

Supplier Spend by Region\*



Supplier Spend by Business Segment\*



\* Spend we have control over / addressable spend; includes products and services that procurement teams can negotiate with suppliers to meet business goals.

## Engaging Suppliers

GRI 308, 308-1, 308-2, 407-1 408-1, 409-1, 412-1, 414, 414-1

We continue to enroll suppliers in our Sustainable Procurement Program (SPP) to help drive social and environmental improvements, set clear targets and improve transparency throughout our supply base.

**Supplier sustainability assessment and disclosure:** As part of their participation in our SPP, all suppliers complete an assessment by EcoVadis, a recognized provider of business sustainability ratings for global supply chains. In 2019, 750 suppliers underwent an EcoVadis assessment. Among the suppliers we have assessed more than once, we see our program driving supplier improvements across all areas of sustainability, most notably labor standards and environmental performance, increasing scores by 4% and 2.5% respectively. An important part of this program is encouraging our suppliers to publicly disclose their environmental performance—including emissions and water use—to CDP as part of our own CDP Supply Chain commitment. In 2019, 344 Johnson & Johnson suppliers were requested to disclose to CDP, an increase of 13% over 2018. This progress demonstrates the positive influence a large sustainability-minded procurement organization can have across its entire supply chain, influencing the way business impacts social development and environmental stewardship through multiple suppliers around the world.

### Highlight

In 2019, Johnson & Johnson was again named to the CDP supplier engagement leader board. We were the first healthcare company to achieve this position in 2018 and the first healthcare company to do so for three years in a row.

**84%** of suppliers in our SPP submitted climate change information upon our request as part of our CDP Supply Chain program.

**Auditing supplier compliance through Environmental Health & Safety (EH&S) and Social Audits:** We verify and monitor supplier compliance with laws and regulations, and with our Responsibility Standards for Suppliers through formal assessment and audits. Our EH&S audit program, which has been in place since 2006, is conducted using the audit protocol and checklist developed by the Pharmaceutical Supply Chain Initiative (PSCI). We completed 134 EH&S audits in 2019, the majority of them in Asia. We further standardized our framework for ensuring compliance with our human rights standards by launching a dedicated social audit program. In 2018, we introduced a program of social audits, mostly conducted according to SMETA 4 guidelines and with a focus on human rights. In 2019, our first full year of social audits, 50 audits were completed by accredited external firms. Our procurement teams are progressing plans with relevant suppliers to establish corrective actions and support suppliers with their implementation.

### 2020 GOAL PROGRESS

**71%**

Enrolled suppliers covering approximately 71% of spend in our Sustainable Procurement Program.

 On track

[View scorecard](#) 

**1,589** or **96%** of all Global Procurement employees completed training on Responsibility Standards for Suppliers

## Our Performance

### Sustainable Procurement Program (SPP)

	2019	2018	2017
Spend with suppliers enrolled in SPP (billions)*	<b>\$17.1</b>	\$16.3	\$15.0
Percentage of total supplier spend attributable to suppliers enrolled in SPP	<b>71%</b>	61%	51%
Number of suppliers newly enrolled in SPP, annual	<b>279</b>	139	33
Number of suppliers enrolled in SPP, total since the program launch (2015)	<b>779</b>	500	361
Suppliers invited to participate in CDP Supply Chain Climate program	<b>344</b>	305	250
Percentage participated	<b>84%</b>	90%	97%
Suppliers invited to participate in the CDP Supply Chain Water program	<b>112</b>	108	108
Percentage participated	<b>84%</b>	88%	86%

\* Spend we have control over / addressable spend; includes products and services that procurement teams can negotiate with suppliers to meet business goals.

## Our Performance

### Supplier EcoVadis Assessments

	2019	2018	2017
EcoVadis assessments completed	<b>750</b>	542	685
Supplier risk ranking based on EcoVadis assessments			
Low-risk	<b>462</b>	323	342
Medium-risk	<b>259</b>	195	301
High-risk	<b>29</b>	24	42

### Supplier Social Audits

	2019	2018
Supplier social audits completed, total	<b>50</b>	11
Completed using SMETA 4-pillar protocol	<b>37</b>	9
Completed using PSCI protocol	<b>13</b>	2
Social audits completed, by region		
Asia Pacific	<b>37</b>	8
Europe, Middle East & Africa	<b>5</b>	1
Latin America	<b>6</b>	2
North America	<b>2</b>	0
Number of critical findings* identified as a result of supplier social audits	<b>5</b>	0

### Supplier EH&S Audits

	2019	2018	2017
EH&S audits and technical visits** completed, total	<b>206</b>	185	189
EH&S audits	<b>134</b>	101	Not reported
Technical visits	<b>72</b>	84	Not reported
Audits and technical visits, by region			
Asia Pacific	<b>174</b>	155	162
Europe, Middle East & Africa	<b>13</b>	18	21
Latin America	<b>7</b>	5	6
North America	<b>12</b>	7	0
Number of suppliers identified as high-risk for non-conformance to Johnson & Johnson Responsibility Standards for Suppliers	<b>32</b>	23	23
Number of critical EH&S findings* identified as a result of EH&S audits	<b>34</b>	27	25
Safety-related	<b>23</b>	21	22
Environmental-related	<b>11</b>	6	3

\* We define a critical finding as evidence of very high risk to human life or potential catastrophic impact to facility, community or environment. We expect suppliers and potential suppliers to address critical findings immediately.

\*\* A technical visit is a follow-up visit to the initial audit.

## Enhancing Supplier Diversity & Inclusion

The Johnson & Johnson Supplier Diversity & Inclusion Program has a track record of advancing supplier diversity within our business for more than 20 years. We proactively reach out to diverse businesses to help raise awareness of opportunities with Johnson & Johnson and provide guidance on how to engage with us. We collaborate with a wide range of organizations to promote outreach to and opportunities for diverse suppliers. We believe our suppliers should be representative of the consumers and patients we serve. We know that spend with diverse suppliers can have a significant economic impact in the communities in which we live and work by stimulating the economy.

**Advancing women-owned businesses:** We continually seek to advance women-owned businesses and help them grow. Johnson & Johnson procurement staff supported our supplier Eficacia in achieving WeConnect International certification, boosting Eficacia's chances of winning additional business with large companies. Eficacia, a women-owned family business with more than 25,000 employees, is our main partner for merchandising and field sales in our Consumer Health and Medical Devices businesses in Colombia. Eficacia, with a mission to create economic opportunities especially in marginalized communities, provides merchandising services at 11,000 points of sale locations for Johnson & Johnson. With Eficacia recently extending their operations to Peru and Ecuador, we are now expanding our partnership with Eficacia in these countries.

**Mentoring women-owned businesses:** Following the 2017 launch of our Women Mentoring Women, a first-of-a-kind reciprocal mentoring program that matched 22 women leaders in Procurement roles in Johnson & Johnson with Women-Owned Business Enterprise (WBE) owners, we held a meeting with participants to share insights and learning. Building on the success of the first two years, the 2019 – 2020 cohort is now being planned and will include new elements, such as: participation of Johnson & Johnson women leaders who are in roles outside Procurement; capability-building program experiences; and expansion of the program outside the United States.

### Highlight

In 2019, we onboarded our first certified women-owned business in Japan, Waris Co. Ltd., a business that connects professional skilled women with potential employers in Japan. Waris manages a network of 10,000 freelancers, also encouraging women who have been absent from the workplace—especially after childbirth—to go back to work and continue to work with confidence.

**Connecting with social enterprises in the UK:** We are one of seven founding partners of the Buy Social Corporate Challenge in the UK, taking a lead role in partnering with social enterprises to bring value. We supported the launch of the Buy Social Corporate Challenge, an initiative to promote the use of Social Enterprises in corporate supply chains. Since its launch we have worked with over 40 social enterprises creating job opportunities for those facing barriers to work.

“Johnson & Johnson has been a pioneer in adopting and embedding social procurement into its business operations. Having a global business of their scale demonstrates how businesses of all sizes and from a wide range of sectors can practically use their spending power to create a positive impact on society. As a founding partner of the Buy Social Corporate Challenge, Johnson & Johnson's collaborative approach and leadership have enabled the initiative to grow from seven large businesses to 23.”

**Peter Holbrook CBE, Chief Executive, Social Enterprise UK**

### 2020 GOAL PROGRESS

Exceeded benchmark diverse supplier spending at 11% and benchmark small supplier spending at 18% of total U.S. spend.

Expanded our supplier diversity and inclusion programs to three additional countries (France, Indonesia and Singapore) for a total of 16 countries against the baseline of six.

On track

[View scorecard](#)

“We've been working with Johnson & Johnson since 2014 and it has been such a valuable partnership. The young people that have trained and worked with us have gone through a transformation in terms of self-confidence and job prospects, and there is no way we could have done that if it weren't for Johnson & Johnson.”

**Ann Summerhayes, Managing Director, Inside Job Productions, audio visual production company**

**Supporting employment of people with disabilities:** Around the world, we channel our procurement spend to encourage employment of diverse populations, including those with disabilities. We maintain long-term relationships, often spanning decades, with many social enterprises to support this goal, for example, with Access Industries in Australia, which has been working with Johnson & Johnson for more than 40 years, providing packaging services for our consumer business. Access Industries has a current workforce of 480 individuals, offering viable employment for people with disabilities.

**Supporting Minority-Owned Businesses:** We support minority-owned business around the world with over 250 diverse suppliers from Australia, Canada, South Africa and the UK. In 2019, we expanded our external outreach, becoming members of Integreare in Brazil.

In the United States, Johnson & Johnson expanded its focus on sourcing and developing minority-owned firms for the supply chain. We have more than 400 minority-owned suppliers that provide over \$870 million in goods and services. We increased our sponsorship with the United States Hispanic Chamber of Commerce, by whom our Johnson & Johnson Employee Resource Group was recognized the prior year, and strengthened our overall relationship. We also sponsored a key supplier of food and cafeteria services to participate in the National Minority Supplier Development Council's prestigious Corporate Plus program, which provided that supplier with advanced training opportunities and exposure to other major companies. In addition, we continued to serve as a major sponsor and corporate member of the Diverse Manufacturing Supply Chain Alliance, where we sponsor diverse firms to participate in their groundbreaking Supplier Development program, and also actively engage in industry working groups to drive standard practices across peer companies.

**Highlight**

For the ninth consecutive year, Johnson & Johnson maintained membership in the Billion Dollar Roundtable, a group of companies that advanced best practices for supplier diversity, and that spend at least \$1 billion (Tier 1) annually with certified minority-, women-, veteran-, LGBT- and disability-owned businesses.

## Driving supplier diversity in our R&D supply chain

Increasing diversity spend for R&D procurement has been a constant challenge, with smaller suppliers becoming acquired by others and losing their diversity certification. Over the past few years, this has impacted more than 25% of our R&D supplier diversity spend. In 2019, to help develop practical approaches to this challenge, we hosted the first R&D Procurement Supplier Diversity Peer Ideation Event focused on enhancing collaboration with small and diverse suppliers. Representatives of nine of our pharmaceutical company peers, pharmaceutical industry associations and supplier partners joined our R&D procurement team to generate ideas on ways to increase our collaboration efforts with small and diverse suppliers. Together, we are taking forward some practical ideas and evaluating others.

## Our Performance

### Diverse Supplier Spend in the United States\*

	2019	2018	2017
Diverse supplier spend (billions)	\$1.61	\$1.42	\$1.41
Percentage of total supplier spend attributable to diverse suppliers	11%	10%	10%
Small supplier spend (billions)	\$2.61	\$2.76	\$2.67
Percentage of total supplier spend attributable to small suppliers	18%	19%	19%
Spend with lesbian, gay, bisexual, transgender suppliers (millions)	\$4	\$2	\$1
Spend with veteran- and disabled-owned suppliers (millions)	\$170	\$139	\$130

\* Spend we have control over / addressable spend; includes products and services that procurement teams can negotiate with suppliers to meet business goals.

## Sourcing Responsibly

We aim to source raw materials and packaging in a sustainable manner, considering the resource and biodiversity impacts on the planet as well as human rights and fair labor conditions throughout our extended supply chain. Our [Responsibility Standards for Suppliers](#) outline our expectations for any supplier working with us. We supplement these guidelines with additional material-specific sourcing criteria for key commodities or materials of concern to ensure we are not complicit in practices that are not consistent with our standards or applicable laws. We maintain partnerships with organizations that help us define appropriate standards and controls in responsible sourcing.

### Highlight

In 2019, we significantly improved our disclosure to the CDP Forests Program, achieving A- scores for both timber and palm oil disclosures, up from C scores in 2018, which was our first year of submission. We are one of about 300 companies worldwide that disclose to this important CDP framework addressing deforestation impacts.

**Forest partnership:** We have completed the first full year of our multi-year partnership with the World Wildlife Fund (WWF), whose mission is to conserve nature and reduce the most pressing threats to the diversity of life on Earth. In the first year of our partnership with WWF, we laid the foundation for advancing innovations in sustainable palm oil production done at a scale that supports forests, wildlife, and long-term community wellbeing.

**Palm oil product sourcing:** We continue to partner with Earthworm Foundation to implement our sourcing criteria with our top suppliers by volume, building transparency and monitoring non-conformance. We published a [progress update in October 2019](#) and also published an updated list of direct suppliers and potential mills in our supply chain. In 2019, we saw increased transparency (back to mill) in our supply chain over the prior year.

**Wood-fiber products sourcing:** In 2019, we continued our partnership with Rainforest Alliance to implement our Wood-Fiber Products Sourcing Criteria and improve our supplier assessment. We published a [progress update in October 2019](#). This year we also brought on a new technology partner, SupplyShift, to help us improve the accuracy and efficiency in our wood-fiber products sourcing. We introduced the SupplyShift platform to suppliers in late 2019 and expect this tool will support noticeable improvements in our annual supply chain assessment.

**Conflict Minerals:** In line with regulatory requirements, we remain committed to taking steps to determine the use, country of origin and source of conflict minerals (tin, tungsten, tantalum and gold [3TG]) in our global product portfolio. Our annual [Conflict Minerals Report](#) provides further details. We are a member of the Responsible Minerals Initiative, a cross-industry organization that helps companies source conflict-free minerals.



# Environmental Health

GRI 302, 303, 305, 307, 307-1

Our planet is facing unprecedented environmental challenges, including climate change, water scarcity, degradation of ecosystems, and natural resources depletion. The World Economic Forum's "Global Risks Report 2020," the 15th such report, notes that for the first time in the history of the Global Risks Perception Survey environmental concerns dominate the top long-term risks.

As a global manufacturer, we recognize our role in helping to conserve and protect natural resources. As a leader in the healthcare industry, we know that human health is inextricably linked to the health of the planet—we can't have healthy people and communities without a healthy environment. To this end, we are committed to marshaling our expertise, resources and partnerships to reduce the environmental footprint of our operations, our products and our extended supply chain while delivering **Better Health for All**.

Our performance reflects decades of proactive environmental stewardship, guided by **Our Credo**, which states: "We must maintain in good order the property we are privileged to use, protecting the environment and natural resources." Our approach is based on:

- Optimizing our operations by improving water and energy efficiency and reducing our waste footprint;
- Reducing lifecycle impacts of our products and solutions by focusing on sustainable design, material use efficiency, reduction in product packaging, and managing product end-of-life impacts;
- Encouraging our suppliers to make environmental improvements in their own businesses and respective supply chains; and
- Partnering with stakeholders to influence change on a broader scale beyond our own operations.



© Norther wind farm off the coast of Belgium and the Netherlands provides renewable energy for our operations in both countries.

## Key Achievements in 2019

- Received CDP Climate Change and Water Security A List ratings for leadership in environmental transparency and performance.
- Continued progress on integrating sustainable design and exceeding our EARTHWARDS 2020 Goal for recognition of sustainability improvements in our products across Pharmaceutical, Medical Devices and Consumer Health segments.
- Accelerated our renewable energy efforts with four new power purchase agreements in Belgium, Ireland, Mexico and the Netherlands, totaling over 370,000 megawatt-hours (MWh) per year and significantly advancing progress toward our 100% renewable electricity goal.
- All Johnson & Johnson sites globally with high water risk have mitigation plans and budget in place for execution.

## Areas of Opportunity

- Continue to address the link between the environment and human health through innovative partnerships, policy advocacy and research.
- Update our science-based Scope 1 and Scope 2 climate targets, and set a Scope 3 target for supplier emissions associated with our purchased goods and services.
- Identify short- and long-term actions to implement our Consumer Health 100% recyclability commitment through both designing for recyclability and investing in recycling infrastructure to address hard-to-recycle formats such as tubes and films.

## Policies and Positions

Our policies and positions relating to Environmental Health are referenced throughout this section. In addition, you can view our overarching [Environmental Health & Safety \(EH&S\) Policy](#), our [Position on Human Health and the Environment](#) and our [Position on Respecting Biodiversity](#) on our website, along with all Johnson & Johnson [ESG policies and positions](#) relating to Environmental Health.

## Our Performance

### EH&S Governance

	2019	2018	2017
Number of manufacturing and R&D sites certified to ISO 14001	<b>100<sup>‡</sup></b>	112	102
Percentage of manufacturing and R&D sites certified to ISO 14001	<b>97%<sup>‡</sup></b>	99%	94%
Percentage of manufacturing and R&D sites certified to OHSAS 18001 (Occupational Health and Safety Assessment Series) or ISO 45001*	<b>24%<sup>‡</sup></b>	32%	33%
Number of environmental non-compliances	<b>61<sup>‡</sup></b>	44	64
Fines paid for environmental non-compliances (thousands)	<b>\$41<sup>‡</sup></b>	\$2	\$0

\* ISO 45001 replaces OHSAS 18001 as the world's first International Standard dealing with health and safety at work; all OHSAS 18001 certificates must transition to ISO 45001 by August 11, 2021.

<sup>‡</sup> See [PwC's Report of Independent Accountants](#).

# Climate Resilience

GRI 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7

Becoming more energy- and carbon-efficient are essential ways we can reduce our impact on the planet while maintaining cost-effective manufacturing and supply for our patients, consumers and customers around the world. We have a long history of innovation and leadership in energy management, and have taken sustained, long-term action to reduce our greenhouse gas (GHG) emissions.

**Clean energy:** In 2019, we became founding members with Board representation of the Renewable Energy Buyers Alliance (REBA), an association for large-scale energy buyers working toward the creation of a resilient, zero-carbon energy system across the United States. We have collaborated heavily with non-governmental organizations and peer companies in the REBA membership, which has helped us progress our renewable energy initiatives.

“Through REBA, we can help make renewable energy more accessible, not just for our Company, but for our entire value chain. By taking a multi-pronged approach to removing barriers for renewable energy adoption, we hope to drive the impact well beyond our operations.”

**Jed Richardson, Senior Director, Environmental Stewardship, Johnson & Johnson**

## Highlight

We have 48 solar arrays and five wind turbines, totaling 40 megawatts of capacity on our properties in 14 countries – enough to power an estimated 5,800 households for a year.

## Driving climate action in C40 Cities

We continue to make progress on our partnership with 30 C40 Cities committing to drive progress on climate actions that also have air quality improvements and health co-benefits.

An analysis conducted by C40 of climate actions taken in 25 cities focused on cleaner transport, industry and energy, and more efficient buildings, showed that carbon emissions could be significantly reduced while at the same time improving air quality for the citizens in these cities. Considering that air pollution is responsible for an estimated 25% of all adult deaths from heart disease and stroke, 43% from chronic obstructive pulmonary disease and 29% from lung cancer,<sup>16</sup> these actions in turn could help prevent thousands of premature deaths and hospital admissions due to air pollution. The C40 partnership continues to expand to more cities, driving the business case for additional climate and clean air actions across all cities in the program.

## Highlight

For the second consecutive year, we were named to the CDP Climate Change A List, putting us among the top 2% of companies participating in the survey.

### 2020 GOAL PROGRESS

**32%**

CO<sub>2</sub> emissions decreased by 32% globally since 2010 (Scope 1 and Scope 2).

**Achieved**

[View scorecard](#) 

### 2020 GOAL PROGRESS

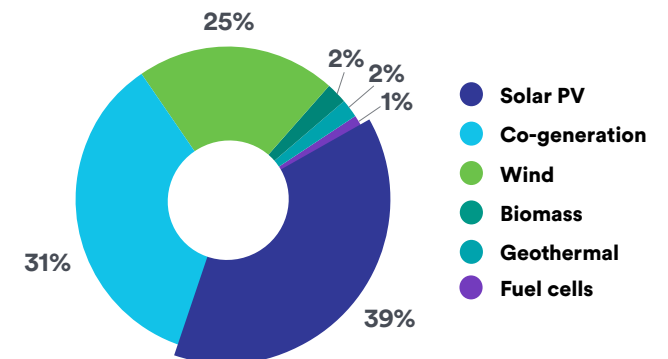
**30%**

of our electricity is produced or procured from renewable energy sources.

**On track**

[View scorecard](#) 

## On-site Clean Energy Capacity



## Energy & emissions

We continue to advance energy efficiency and GHG emission-reduction initiatives across our global manufacturing operations and supply chain, using ISO 50001 as a guide in our energy management strategy. Examples of our climate initiatives in 2019 include:

**LEED certification in Ireland:** The Janssen Sciences Ireland campus in Cork, dedicated to biologics manufacturing and testing, achieved LEED (Leadership in Energy & Environmental Design) silver certification. LEED green building features at Cork include: charging stations for up to 22 electric cars, covered bicycle parking, open space for protecting natural vegetation, adjustable sun-shades on each building level that reduce solar glare and heat gain within the building, and two wind turbines that provide renewable electricity for approximately 50% of the site's electricity usage each year.

### Highlight

Green buildings are healthy for the environment and for all those who work in them. Our goal is LEED certification for all new Johnson & Johnson buildings and renovations of \$5 million or more. In 2019, eight million square feet—or 13% of all our built space—was LEED-certified.

**Wind energy in four countries:** In 2019, we accelerated our renewable energy efforts with four new power purchase agreements in Belgium, Ireland, Mexico and the Netherlands totaling over 370,000 megawatt-hours (MWh) per year, significantly advancing progress toward our 100% renewable electricity goal.

We also installed a windmill at our largest chemical production site in Geel, Belgium. The windmill has a capacity of 3.4 MW of electricity production and is expected to provide up to 15% of Geel's electricity consumption.

### **Geothermal energy at our site in Beerse, Belgium:**

Janssen's Beerse campus is the largest energy user of all Johnson & Johnson sites worldwide, and in 2019 we commenced drilling of two geothermal energy wells, each around 2.4 kilometers (1.5 miles) deep, that will bring hot water up from the ground. When completed, this renewably sourced hot water will substantially reduce the site's energy needs and CO<sub>2</sub> emissions.

“We anticipate that using geothermal energy will reduce our CO<sub>2</sub> emissions in Beerse by about 30%. This equals the emissions generated by about 3,000 households.”

**Marijke Anthuenis, Director, Project Management, Janssen Pharmaceutical Companies of Johnson & Johnson**

**Optimizing cooling systems in Puerto Rico:** We succeeded in reducing our CO<sub>2</sub> emissions by more than 1,300 tons annually at our plant in Las Piedras, Puerto Rico, through optimizing a chilled water system in the plant, including replacement of two chillers and three cooling towers with more energy-efficient technology.

**Improving energy efficiency in cleanrooms in the Netherlands:** Janssen Vaccines & Prevention B.V., in Leiden, the Netherlands, achieved approximately 10% energy reduction through reducing the airflow of cleanrooms after work hours while maintaining quality and biosafety requirements. As air handling units account for about 50% of energy use in our cleanrooms, this positively impacted our overall energy consumption and resulting GHG emission levels.

**Capital expenditure for energy efficiency:** Energy efficiency programs at our most energy-intensive manufacturing and R&D sites remain a priority, and are allocated up to \$40 million per year in capital relief for energy projects through our CO<sub>2</sub> Capital Relief Program. To be eligible for funding, projects must demonstrate potential CO<sub>2</sub> savings and should provide a financial return of 15% or higher.

## CO<sub>2</sub> Capital Relief Program Overview (2005-2019)

**266** projects approved

**231** projects completed

**\$431 million** total spent on completed projects

**\$80 million** annual energy cost savings\*

**2,247** TJ annual energy savings\*

**287,931** MT CO<sub>2</sub> annual GHG emissions avoided\*

\* Results from completed projects. Based on fuel and electricity reduction calculations. Avoidance of energy consumption and GHG emissions calculated by comparing energy consumption before project implementation and expected consumption after implementation using engineering estimates at the time the projects are approved.

**Task Force on Climate-related Financial Disclosures (TCFD):** We support the TCFD recommendations for climate-related disclosures. See our annual CDP Climate Report for additional climate-related disclosures based on TCFD recommendations.

## Our Performance

### Energy Use<sup>1</sup>

	2019	2018	2017
Total energy use (TJ)	<b>12,702</b>	13,208	12,685
From renewable sources	<b>2,118</b>	2,246	1,816
From non-renewable sources	<b>10,584</b>	10,962	10,869
Energy intensity ratio (TJ/\$billion) <sup>2</sup>	<b>155</b>	162	164
Percentage change in energy intensity compared to 2010 baseline (TJ/\$billion) <sup>2</sup>	<b>(29%)</b>	(24%)	(24%)

### Purchased Energy Use by Type (TJ)<sup>1</sup>

	2019	2018	2017
Electricity	<b>6,421</b>	6,583	6,352
Natural gas	<b>4,808</b>	5,020	4,892
Diesel	<b>465</b>	592	929
Direct heating/cooling	<b>274</b>	180	238
Propane	<b>51</b>	90	64
Biogas	<b>26</b>	28	23
Fuel oil	<b>15</b>	15	15
<b>Total purchased energy</b>	<b>12,059</b>	12,507	12,512

### On-Site Generated Energy Use by Type (TJ)<sup>1</sup>

	2019	2018	2017
Co-generation	<b>439</b>	525	581
Wind	<b>97</b>	78	65
Solar PV	<b>78</b>	56	82
Geothermal	<b>6</b>	18	24
Fuel cell	<b>22</b>	23	24
Biomass	<b>2</b>	2	2
<b>Total on-site generated energy</b>	<b>643</b>	701	778

## Our Performance

### Greenhouse Gas (GHG) Emissions<sup>3</sup>

	2019	2018	2017
Scope 1 GHG emissions, total (MT CO <sub>2</sub> e) <sup>4</sup>	<b>415,094<sup>‡</sup></b>	452,407	474,497
Scope 1 GHG emissions, by source (MT CO <sub>2</sub> e) <sup>4</sup>			
Facilities <sup>1</sup>	<b>278,717</b>	308,200	329,731
Sales fleet <sup>15</sup>	<b>114,681</b>	122,194	123,179
Refrigerants <sup>16</sup>	<b>12,979</b>	12,298	9,830
Aviation	<b>8,717</b>	9,715	11,757
Scope 2 GHG emissions, facilities (MT CO <sub>2</sub> e) <sup>1,4</sup>			
Location-based	<b>648,598<sup>‡</sup></b>	681,416	685,819
Market-based <sup>5</sup>	<b>518,542<sup>‡</sup></b>	583,361	639,323
Scope 3 GHG emissions, by source (MT CO <sub>2</sub> e) <sup>4,14</sup>			
Purchased goods and services <sup>6</sup>	<b>9,229,943<sup>‡</sup></b>	8,826,462	8,117,919
Upstream transportation and distribution <sup>6</sup>	<b>2,201,590<sup>‡</sup></b>	2,039,872	1,893,440
Business travel <sup>6,7</sup>	<b>601,637<sup>‡</sup></b>	768,392	695,306
Employee commuting <sup>8</sup>	<b>267,881</b>	351,260	348,400
Capital goods <sup>6</sup>	<b>281,092<sup>‡</sup></b>	271,422	246,076
Fuel- and energy-related activities <sup>9</sup>	<b>47,245<sup>‡</sup></b>	50,821	46,524
Upstream leased assets <sup>10</sup>	<b>39,830<sup>‡</sup></b>	39,981	45,702
Waste generated in operations <sup>11</sup>	<b>3,618<sup>‡</sup></b>	3,702	3,812
Downstream product transportation <sup>12</sup>	Available 12/2020	65,447 <sup>‡</sup>	45,850
Use of sold products <sup>13</sup>			
Direct	<b>168,612</b>	78,051	73,503
Indirect	<b>7,248,612</b>	6,894,347	6,260,427
End of life treatment of sold products <sup>13</sup>	<b>209,994</b>	222,404	211,531
GHG emissions intensity ratio (Scope 1 and Scope 2) per revenue (MT CO <sub>2</sub> e/\$million)	<b>11</b>	13	15
Percentage decrease in GHG emissions intensity (Scope 1 and Scope 2) per revenue compared to 2010 baseline (MT CO <sub>2</sub> e /\$million)	<b>49%</b>	43%	34%

<sup>‡</sup> Metric has been assured by ERM CVS. See [independent assurance statements by ERM CVS](#).

### Air Emissions by Category

	2019	2018	2017
Hazardous air pollutant (HAP) emissions (MT)	<b>39.98</b>	30.25	50.14
Volatile organic compound (VOC) emissions (MT)	<b>394.07</b>	414.05	607.99
Particulate matter (PM) emissions (MT)	<b>116.56</b>	247.14	205.22
Refrigerant emissions (MT)	<b>8.01</b>	7.85	6.12
Ozone depleting substances emissions (MT)	<b>1.11</b>	1.53	2.35
Sulfur oxide (SO <sub>x</sub> ) emissions (MT)	<b>51<sup>‡</sup></b>	64	99
Mono-nitrogen oxides (NO <sub>x</sub> ) emissions (MT)	<b>254<sup>‡</sup></b>	288	290

## Footnotes to Our Performance on Energy Use and GHG Emissions

1. Includes site-specific data from all Johnson & Johnson-owned and -leased sites over 50,000 square feet where Johnson & Johnson has operational control, as well as manufacturing and R&D sites under 50,000 square feet, unless otherwise noted.
2. Our diverse product portfolio makes it difficult to track an organization-specific metric, therefore we use revenue as denominator for energy intensity. Energy intensity ratio includes electricity, stationary fuels, and district heating and cooling.
3. Selected year 2019 global GHG emissions inventory including Scope 1, Scope 2 (location- and market-based) emissions, Scope 3 emission categories 1, 2, 3, 4, 5, 6, 8, 9, the percentage of electricity use generated by renewable energy sources, and NOx and SOx emissions (from combustion sources) were third-party assured by ERM Certification and Verification Services Inc. Please refer to [Independent Assurance Statement for GHG Emissions Data](#) in this Report.
4. In accordance with guidance from World Resources Institute Corporate Accounting and Reporting Standard, we restated the 2017-2018 values to reflect newly released electricity grid emission factors as well as addition or removal of acquisitions and divestitures. This threshold for restatement deviates from the one included in the About this Report section. We do not currently use purchases, sales or transfers of offsets in our GHG accounting. Gases covered in these calculations include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs. Perfluorinated chemicals, sulfur hexafluoride and nitrogen trifluoride do not result from our operations. We do not calculate or report biogenic CO<sub>2</sub> emissions in MT CO<sub>2</sub>e separately from the gross direct (Scope 1) GHG emissions. Electricity emission factors are obtained from the International Energy Agency's CO<sub>2</sub> Emissions from Fuel Combustion Report and the U.S. Environmental Protection Agency's eGRID publication for location-based Scope 2 reporting, and from supply contracts and residual emission factors, where available, for market-based Scope 2 reporting. Fuel emission factors are obtained from the EPA Climate Leaders publication. Global Warming Potentials are obtained from the Intergovernmental Panel on Climate Change Fifth Assessment Report. The chosen consolidation approach for emissions is operational control.
5. We did not report Scope 2 emissions using the market-based method prior to 2017. Starting from 2017, we are reporting Scope 2 emissions using both location-based and market-based methods, based on the latest Scope 2 guidance from the World Resources Institute in the Corporate Accounting and Reporting Standard.
6. Emissions were calculated using Company spend in the reporting year paired with appropriate economic input/output (IO) emission factors from Carnegie Mellon's 2002 dataset. Where more specific primary data were able to be obtained, they were used in place of the IO calculation methodology.
7. Business Travel emissions for reporting year 2017 and 2018 are being restated because of the reclassification of spend into updated categories.
8. Emissions from Employee Commuting were calculated using survey data from a sample of employees in all regions and extrapolated for all global employees. It should be noted that because of the assumptions that were made, Johnson & Johnson did not receive third-party limited assurance for this scope, but will work to improve these assumptions in the coming years.
9. Emissions from Fuel- and Energy-related Activities were calculated for emissions from transportation and distribution losses from purchased electricity. Emissions were calculated by combining purchased electricity with an appropriate emissions factor and percentage grid loss for each location.
10. Emissions from Upstream Leased Assets were calculated by applying the energy intensity from office locations in our Scope 1 and Scope 2 footprint to the building area of leased assets less than 50,000 SqFt, which are excluded from Scope 1 and Scope 2 reporting.
11. Emissions from Waste Generated in Operations were calculated for non-hazardous waste from manufacturing and R&D operations using DEFRA's emissions factors for waste. Emissions for 2017-2018 are being restated because of an update in calculation methodology.
12. Emissions from Downstream Transportation and Distribution were calculated using the U.S. EPA's SmartWay Program, and are provided for U.S. shippers only.
13. Emissions from the Use of Sold Products and the End-of-Life Treatment of Sold Products were calculated using sales volumes for all Johnson & Johnson products combined with lifecycle assessment (LCA) models where sales volumes could be obtained; where they could not be obtained, sales revenues and average unit prices were used to estimate volumes. Because of the size of our product portfolio, LCAs were not performed for every Johnson & Johnson product, so products were placed into LCA categories and a representative product LCA was applied. It should be noted that because of the assumptions that were made, Johnson & Johnson did not receive third-party limited assurance for these scopes, but will work to improve these assumptions in the coming years.
14. Emissions from the Processing of Sold Products, Downstream Leased Assets, Franchises, and Investments are not applicable to Johnson & Johnson operations.
15. Greenhouse gases covered in these calculations include CO<sub>2</sub> only.
16. Includes site-specific data from all Johnson & Johnson manufacturing and R&D sites only.

# Water & Waste Management

GRI 303, 303-1, 303-2, 303-3, 306, 306-1, 306-2 SASB: CG-HP-140a.1; CG-HP-140a.2

At Johnson & Johnson, we aim to minimize our impacts on the planet through reducing the use of water and minimizing waste generation while engaging in responsible waste management practices. See also our [Position on Water and Waste Management](#).

## Highlight

We have decreased global water withdrawal per \$billion from 0.183 million m<sup>3</sup> in 2010 to 0.143 million m<sup>3</sup> in 2019 – a reduction of 22%.

## Highlight

Johnson & Johnson has been a participant in the CDP Water Program since its inception in 2010, and in 2019, we were named to CDP's Water Security A List, the highest-possible score, for the first time.

## Water management

Access to clean water and sanitation is essential for human health and wellbeing and, as leaders in healthcare, we are committed to conserving water resources wherever we operate. We pay particular attention to our operational sites in water-stressed regions.

Examples of our water conservation and wastewater quality improvement initiatives in 2019 include:

**Mitigating drought risk in South Africa:** Our Consumer Health manufacturing facility in Cape Town has been supporting the city's efforts to mitigate drought risk through several water security and water saving projects, including the installation of air-cooled instead of water-cooled cooling towers. Several additional initiatives are planned and slated for implementation in 2020.

**Reusing wastewater in Mexico:** At our Juarez facility in Mexico, we installed a biological treatment plant with a capacity of 75m<sup>3</sup> per day to give a second life to gray water, manufacturing process water, cafeteria food preparation process water, and discharge water from organic waste processing. The treated water is used for irrigation of green areas and donation to the municipal water agency, resulting in reuse of 22% of the site's wastewater.

**Upgrading wastewater treatment in the United States:** At our Janssen facility in Athens, GA, we initiated a significant multi-year investment to upgrade the wastewater treatment at the active pharmaceutical ingredient chemical plant, installing a membrane bioreactor system to enhance removal efficiencies and improve the quality of discharged water.

## 2020 GOAL PROGRESS

**100%**

We completed the comprehensive water risk assessment at 100% of manufacturing/R&D locations in 2019.

By the end of 2019, 100% of all high-risk sites identified developed mitigation plans and budgeted for their implementation in 2020; 35% of these have already completed their mitigation plans.

 On track

[View scorecard](#) 



## Our Performance

### Water Use Summary

	2019	2018	2017
Total water withdrawn (million m <sup>3</sup> )	<b>11.71</b>	11.64	11.50
Total water consumed (million m <sup>3</sup> )	<b>4.57</b>	Not reported	Not reported
Total water recycled and reused (million m <sup>3</sup> )	<b>0.81</b>	0.84	0.91
Total water discharge (million m <sup>3</sup> )	<b>7.95</b>	7.69	7.81
Percentage of water withdrawn in regions of high or extremely high baseline water stress	<b>39%</b>	Not reported	Not reported
Percentage of water consumed in regions of high or extremely high baseline water stress	<b>48%</b>	Not reported	Not reported

### Water Withdrawn by Source (million m<sup>3</sup>)

	2019	2018	2017
Municipal	<b>8.68</b>	8.21	8.05
Groundwater	<b>2.85</b>	3.26	3.28
Greywater	<b>0.06</b>	0.06	0.05
Other	<b>0.07</b>	0.06	0.04
Rainwater	<b>0.03</b>	0.04	0.04
Surface water	<b>0.02</b>	0.02	0.02
<b>Total water withdrawn</b>	<b>11.71</b>	11.64	11.50

### Water Discharge by Destination (million m<sup>3</sup>)

	2019	2018	2017
Wastewater treatment plant	<b>5.46</b>	5.21	5.36
Surface water	<b>2.12</b>	2.11	2.07
Irrigation	<b>0.19</b>	0.19	0.22
Other	<b>0.06</b>	0.10	0.10
Ocean	<b>0.12</b>	0.08	0.07
<b>Total water discharge</b>	<b>7.95</b>	7.69	7.81

## Waste management

We believe that waste is a sign of inefficiency in our value chain and places avoidable burden on planetary resources. We continue to advance initiatives at our manufacturing plants and throughout our supply chain to systematically avoid waste and reduce waste to landfill.

### Highlight

We maintained strong waste management, with 83% of our total waste reused, recycled or recovered.

**Reusing packaging in Brazil:** Our Consumer Health facility in São Paulo, Brazil, established a take-back and reuse program for toiletries' packaging materials. Working closely with the local supplier of cardboard packaging, the design was adapted to make the cardboard boxes suitable for return and reuse. This initiative resulted in a decrease of more than 240 tons per year of cardboard waste.

**Reusing raw materials in Ireland:** At our Medical Devices manufacturing facility, following targeted efforts, we were able to separate two forms of porous titanium powder coatings used in the manufacturing of cementless knee and hip systems. During our proprietary coating application process, these powders become mixed and, if not separated, must be disposed of as contaminated waste after use. The new method of separation of the two powders enabled us to reduce waste of large volumes of titanium powder, a finite resource, thereby improving the sustainability of our production process and reducing manufacturing waste.

## Our Performance

### Operational Waste (MT)

	2019	2018	2017
Total waste generated	<b>195,272</b>	194,442	186,475
Hazardous waste	<b>53,425</b>	52,672	48,743
Non-hazardous waste	<b>141,848</b>	141,770	137,732

### Hazardous Waste by Disposal Method (MT)

	2019	2018	2017
Recycled	<b>25,897</b>	24,652	22,450
Energy recovery	<b>16,684</b>	16,374	14,395
Landfilled	<b>3,449</b>	3,462	4,325
Incinerated	<b>3,373</b>	2,953	3,584
Reused	<b>1,756</b>	2,758	988
Bio/chemical treatment	<b>2,181</b>	2,372	2,901
Other	<b>86</b>	101	100
<b>Total hazardous waste</b>	<b>53,425</b>	52,672	48,743

### Non-Hazardous Waste by Disposal Method (MT)

	2019	2018	2017
Recycled	<b>83,118</b>	79,827	75,281
Energy recovery	<b>20,793</b>	22,356	20,116
Landfilled	<b>12,512</b>	13,878	15,356
Incinerated	<b>2,923</b>	4,167	3,893
Reused	<b>13,282</b>	12,796	10,125
Bio/chemical treatment	<b>9,192</b>	8,704	11,079
Other	<b>28</b>	42	1,883
<b>Total non-hazardous waste</b>	<b>141,848</b>	141,770	137,732

# Product Sustainability

GRI J&J19-12

We are committed to developing more sustainable products that contribute to a healthier planet. Our approach is based on science and a lifecycle accountability for product impacts—from discovery and design, raw material sourcing and manufacturing to product use and end of life. See also our [Position on Sustainable Products and Packaging](#).

## Lifecycle assessment with EARTHWARDS

GRI 302-5, J&J19-12 SASB HC-MS-410a.1

Since 2009, we have utilized our [EARTHWARDS](#) program to encourage the development of more sustainable products across seven impact areas. When a product achieves at least three significant improvements, a board of external experts determines if it warrants EARTHWARDS recognition. Our adherence to the EARTHWARDS methodology is audited annually by an external verification company.

Examples of newly recognized EARTHWARDS products from 2019 include:

**LISTERINE Mouthwash Concentrated Formulas:** We developed a concentrated premix of our LISTERINE Mouthwash formulas that are sent to local markets to create finished product. Prior to this change, finished products were shipped directly from one facility in a region to the final destination (for example, from Thailand to Japan or from Italy to Russia). Today, we ship a concentrated product that is diluted and finished in facilities closer to the end markets in North Asia and Russia. These changes eliminated more than 60% of greenhouse gas (GHG) emissions from transportation. At the same time, we were able to lightweight packaging, reducing plastic usage by 11%.

**LE PETIT MARSEILLAIS Shower Gel Concentrates:** We launched our first concentrated body cleansing gels in six sensory variants. With its breakthrough environmental-friendly formula achieving 98% biodegradability, the product range offers consumers the same number of showers from an optimized 100 mL bottle as they would get from a conventional

**26** new products achieved EARTHWARDS recognition in 2019

70 Earthwards-recognized products\* resulted in the following annual impact reductions\*\*:

**1,500** MT less material

**40,000** liters of water saved

**170** MT or waste reduced

**39,300** CO<sub>2</sub>e of GHG emissions avoided

\*Products recognized between 2009-2019; excludes products that are no longer EARTHWARDS-recognized due to discontinuations, divestitures or changes to the product.

\*\*Savings are for products recognized through the end of 2019 and are estimated based on best available methodologies for each impact reduction area; select products are not included in savings estimation because of lack of detailed data.

400 mL plastic one. Each bottle of LE PETIT MARSEILLAIS Mon Gel Douche Concentré is recyclable, uses 60% less plastic and requires 40% less water, benefiting both consumers and the environment.

**DePuy Synthes Spine SYMPHONY:** The SYMPHONY OCT System was designed to optimize and improve the instrumentation for posterior cervical fusion (PCF) to address

### 2020 GOAL PROGRESS

**22%**

New and existing products representing 22% of Johnson & Johnson revenue achieved EARTHWARDS recognition.

**Exceeded**

[View scorecard](#)

the current procedural challenges of aging population, more complex cases, and the increasing cost of PCF.

The modular case and tray system allow for a large selection of implants and instruments to be brought into the operating room without the need for additional cases. This may result in the following savings:<sup>17</sup> 21% less container material to meet patient need; 34% reduction in blue wrap required; and 34% less energy and water used in sterilization/disinfection of instruments.

**STELARA (ustekinumab) and SIMPONI (golimumab):** Early in 2019, the Johnson & Johnson EARTHWARDS Board recognized STELARA and SIMPONI as EARTHWARDS products and reconfirmed all dosing forms of these two products.

The recognition of both products is based on their reduced dosing frequency, as compared to competing products<sup>18</sup> that are addressing the same indication(s), which is resulting in a reduced environmental footprint.

A cross-functional team assessed the footprint, which resulted in demonstrated, relevant reductions in the use of raw materials, packaging and energy required for manufacturing as well as in the amount of waste that originates from using these products.

## Green chemistry

Lifecycle assessments of our chemically synthesized active pharmaceutical ingredients (APIs) usually indicate that their environmental footprint is most driven by sourced starting materials, building blocks, reagents and solvents.<sup>19</sup>

While we continue to integrate principles of green chemistry and engineering into our product development practices, to promote green chemistry and advance environmental sustainability with the API suppliers, the Janssen Pharmaceutical Companies of Johnson & Johnson also developed a Supplier Sustainability Roadmap to collaborate with suppliers and drive improvement.

In 2019, we worked with our suppliers involved in the extended supply chain of canagliflozin and darunavir to improve their synthesis processes by introducing the principle of product mass intensity (PMI) and shared best practice tools and resources used by the members of the American Chemical Society Green Chemistry Institute Pharmaceutical Roundtable. By doing so, our suppliers could target the process steps that contribute largely to the environmental footprint, and objectively measure the impacts of any process improvements they made. This has led to a significant improvement of our suppliers' PMIs and has reduced process waste and related management costs while reducing the environmental impact of our products.

## Sustainable Packaging & Recycling

SASB: HC-MS-410a.1; CG-HP-410a.2

Packaging plays a critical role in maintaining the quality, safety and integrity of our products throughout our value chain. In addition to complying with packaging regulations in all the countries where our products are sold, we are proactive about increasing recycled content of packaging and improving recyclability of our packaging. In 2019, we progressed several initiatives as follows:

**Reducing the impact of plastic packaging:** Johnson & Johnson Consumer Health is a signatory, since 2018, to the **New Plastics Economy Global Commitment**, led by the Ellen MacArthur Foundation. In 2019, we progressed several initiatives, including the publication of multi-year targets for implementing our commitment. A few examples include the following:

- Conducted an impact assessment of our Consumer Health packaging portfolio and set a 2025 15% recycled content target across all plastic packaging by weight. The target varies across regions depending on product mix and volumes.
- Developed plans to launch additional refill packs for LE PETIT MARSEILLAIS liquid soaps.
- Set plans to replace non-recyclable film with polyethylene for our NEUTROGENA cosmetic wipes by 2021.
- Rolled out an enhanced internal Design for Recyclability Policy to relevant product development teams.

**First contact lens recycling program in the UK:** In 2019, Johnson & Johnson Vision launched the ACUVUE Contact Lens Recycle Program in the UK, enabling consumers to recycle their contact lenses and blister and foil packaging after use. The UK's first free, nationwide recycling program, with 1,200 collection points across the country, was created in partnership with global recycling organization TerraCycle following our research, which showed that 70% of the UK's 3.7 million contact lens wearers weren't sure they could recycle their contact lenses, and that approximately 20% of them admitted to flushing their lenses away. After collection, the contact lenses and packaging components are separated, shredded and washed, and then recycled into new products such as outdoor furniture. Millions of pairs of lenses were collected for recycling in the first year of the program.

### 2020 GOAL PROGRESS

Continued partnerships with two co-ops in Brazil and one in India to advance material recovery and recycling efforts.

Concluded the partnership in Vietnam focused on ocean plastics through the Consumer Goods Forum and Trash Free Seas Alliance.

 **On track**

[View scorecard](#) 

### **Recycling of single-use medical devices in New Zealand:**

We collaborated with a hospital customer to segregate and recycle single-use ETHICON instruments used in surgical settings. Following a pilot program from 2018 with the Auckland District Health Board, we created a process for collection, safe decontamination and breakdown of single-use ETHICON devices to channel this waste to appropriate recycling streams, avoiding landfill. In the pilot program, more than 90% of product by weight was successfully routed for recycling. This program is now being introduced in hospitals across New Zealand.

**Partnerships for advancing recycling:** In 2019, we engaged more broadly with recycling initiatives, for example:

- We joined the Materials Recovery for the Future Project, a collaboration of leading members of the packaging value chain in North America committed to developing research solutions for recycling flexible packaging curbside, which is not typically accepted in recycling programs.
- We continued to fund efforts to advance the recycling of plastic squeeze tubes in North America in partnership with More Recycling (MORE). Based on MORE's extensive research and testing, in 2019, the Association of Plastic Recyclers formed a working group to develop preferred plastic specifications for tube design as an important practical step toward creating recyclable tubes for everyday use in millions of homes.
- We were one of the initial funders of The Recycling Partnership's new Pathway to Circularity initiative. The Pathway to Circularity is a roadmap that starts with a stage gate process to determine the steps needed for a package to reach recyclability. This initiative will outline, address and seek to successfully navigate current and future packaging recycling system challenges that limit the recycling of packaging materials today to make progress toward circularity. The initial funding has not only created this stage-gate process, but also helped launch an industry council to gain alignment and consensus needed to realize measurable change throughout the packaging industry.
- We continued our involvement as a founding partner of the Closed Loop Infrastructure Fund, a U.S. social impact fund that invests in scaling recycling infrastructure and sustainable manufacturing technologies to advance a circular economy.
- We maintained **CARE TO RECYCLE**, our initiative to encourage consumers to recycle their personal care products. We share tips and practical information for better recycling on our website and social media vehicles.
- We continued our involvement as a member of The Healthcare Plastics Recycling Council, an initiative helping the healthcare industry support recyclability of plastics in clinical settings.

## Products in the Environment

SASB HC-MS-410a.2

We recognize that the products we create to help patients, doctors and consumers can continue to have environmental impacts after use. Whether the product is metabolized and excreted, or used and discarded, these actions can have environmental impacts. We have a diverse portfolio of products and services that have unique impacts at end of life. Therefore, we assess the end-of-life impacts of our products and develop category-specific action plans to improve performance over time. See our [Position on Impact of Pharmaceuticals and Personal Care Products in the Environment](#).

**Pharmaceutical Products:** We continue our work to reduce the impact of pharmaceuticals in the environment (PIE). In 2019, we completed a multi-year comprehensive assessment of PIE for 100% of our current pharmaceutical suppliers located in India and China. We have also reported our progress on working specifically with antibiotics producers globally through the Access to Medicine Foundation report on antibiotics, and the International Federation of Pharmaceutical Manufacturers & Associations report on antibiotics.

As an active and founding member of the Pharmaceutical Supply Chain Initiative, we helped build the capacity of suppliers by leading two PIE training sessions in 2019. As an active and founding member of the AMR Alliance, we contributed to the peer-reviewed publication of a new methodology to determine safe levels of antibiotics in the environment, which protects against formation of antibiotic resistance. The safe levels we contributed for this publication are for Johnson & Johnson's antibiotics. As a group, the AMR Alliance Manufacturing Work Group achieved their original four goals aimed at assessing risk, developing an assessment framework, advancing science, and reporting transparently a year early. For additional information on our work on antimicrobial resistance see the section on [Overcoming Antimicrobial Resistance](#).

**Medical Devices:** We comply with applicable Extended Producer Responsibility regulations in different countries and invest in many initiatives for better management of our products at end of life. We support voluntary take-back programs, and we work with our customers to evaluate opportunities to increase the number and quantity of products that can be recycled and reprocessed. For example, the Johnson & Johnson Medical Devices Companies work with health facilities to collect medical devices that otherwise would be immediately bound for landfills or incineration, and reprocess those devices so that they can be reused by healthcare professionals.

**2.5 million**  
medical devices collected and  
**1.1 million**  
reprocessed in 2019

# Data & Downloads



## GRI Content Index

Download 

## UNGC Communication on Progress

Download 

## SASB Index

Download 

## Data Summary

Download 

# About this Report

GRI 102-10, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

Johnson & Johnson's 2019 Health for Humanity Report (the Report) details our progress in sustainability. It is our primary source of annual disclosure on environment, social and governance (ESG) performance and should be reviewed in conjunction with disclosures on the [ESG Policies & Positions](#) page. Data in this Report cover the period between January 1, 2019, and December 31, 2019, unless otherwise indicated. Reporting on other matters specific to financial performance of the Company and its subsidiaries can be found in our [2019 Annual Report](#).

This Report covers Johnson & Johnson's worldwide operations across our three business segments: Pharmaceutical, Medical Devices and Consumer Health. For select metrics, we report segment-level data. Contract manufacturers are excluded from the scope of this Report, unless otherwise noted.

The Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. For the first time, it includes the Sustainability Accounting Standards Board (SASB) Index providing disclosures against relevant SASB Standards. The Report also serves as our annual United Nations Global Compact Communication on Progress.

The outcomes of our [2019 Priority Topics Assessment](#) guided the Report's structure and content.

ERM CVS conducted independent review and assurance of the following information and data in the Report (see [independent assurance statements by ERM CVS](#)):

- Progress against our Health for Humanity 2020 Goals, and associated data presented in the [2020 Goals Progress Scorecard](#).
- Progress against United Nations Sustainable Development Goals (UN SDGs) commitments, and associated data presented in the [UN SDG Commitment Progress Scorecard](#).
- Select year 2019 global greenhouse gas (GHG) emissions inventory, the percentage of electricity use generated by

renewable energy sources, and NO<sub>x</sub> and SO<sub>x</sub> emissions (from combustion sources).

PricewaterhouseCoopers LLP (PwC) performed limited assurance on certain data in the following categories (see [PwC's Report of Independent Accountants and Management's Assertion](#)):

- Contributions / Philanthropy
- Diversity & Inclusion (select metrics)
- Environmental Health & Safety (EH&S) Governance
- Employee Retention and Turnover
- Employee Safety (select metrics)
- Product Quality (select metrics)

Our Corporate Internal Audit reviewed select data for accuracy, completeness and validity. The financial data and general information about the business in this Report were previously audited for disclosure in our 2019 Annual Report.

**Acquisitions:** EH&S data of recently acquired companies, except for employee road safety data and site ISO and OHSAS certification data, are included in the Report two years after acquisition, unless otherwise noted. This grace period allows the new acquisitions to adjust their EH&S management and reporting systems to Johnson & Johnson standards. Road safety data are integrated the first year after acquisition, where available, and two years after acquisition at the latest. ISO and OHSAS certification data are integrated three years after acquisition. The dates and details of recent acquisitions can be found in Note 20 (Business Combinations and Divestitures) on page 80 of our 2019 Annual Report.

**Divestitures:** Except for injury statistics and violations or fines, EH&S data of divested companies are excluded in the reporting year.

**Restatements:** We use a 5% change threshold to apply to significant changes in data or information that is restated, unless otherwise noted. There are a number of potential reasons that may lead to a restatement of either prior periods or baseline data (e.g. a significant change in newly published measures, new acquisitions or divestitures, data errors, or improvements in data collection methodology over time). Depending on circumstances, each is evaluated using this threshold, and appropriate disclosures are included in the Report. Data that were not disclosed in prior years are noted as "not reported" in relevant tables throughout the Report.

**Human Resources Data:** These data are based on headcount data from Human Resources Information Systems (HRIS). HRIS headcount methodology differs from that used for the headcount in our Annual Report/Form 10-K, which is based on the number of full-time equivalent positions (FTE). HRIS data exclude employees on long-term disability. Data may not include full population from more recently acquired companies.

We welcome your queries and feedback on this Report. Please contact us at [WW-Corporate-Governance@its.jnj.com](mailto:WW-Corporate-Governance@its.jnj.com).



# Independent Assurance Statement

## Health for Humanity 2020 Goals Progress

ERM Certification and Verification Services (ERM CVS) was engaged by Johnson & Johnson to provide limited assurance on cumulative progress over 2016 - 2019 against the Health for Humanity 2020 Goals reported in the Johnson & Johnson 2019 Health for Humanity Report (the Report) and on [healthforhumanityreport.jnj.com](http://healthforhumanityreport.jnj.com) as set out below.

### Our conclusion

Based on our assurance activities, as described below, nothing has come to our attention to indicate that the cumulative progress (2016 - 2019) against the Health for Humanity 2020 Goals and Targets, as reported in the Scorecard on pages 10 to 14 of the Report and on [healthforhumanityreport.jnj.com](http://healthforhumanityreport.jnj.com), is not fairly presented, in all material respects, in accordance with the reporting criteria.

### Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. During this year's assurance engagement, due to travel restrictions following the outbreak of COVID-19, we changed our planned head office visit to a 'virtual' visit via video/conference calls. A multi-disciplinary team of sustainability and assurance specialists performed assurance procedures as follows:

- Conference calls with Johnson & Johnson Corporate Governance team to discuss, understand, and evaluate the systems and processes (including internal review/audit) used for collecting, consolidating, evaluating and reporting the information and data used to report progress against the Health for Humanity 2020 Goals and Targets;

Engagement Summary	
<b>Scope of our assurance engagement</b>	Whether cumulative 2016 - 2019 progress against the Health for Humanity 2020 Goals and related Targets as reported in the Health for Humanity 2020 Goals Progress Scorecard (the Scorecard) on pages 10 to 14 of the Report and on <a href="http://healthforhumanityreport.jnj.com">healthforhumanityreport.jnj.com</a> is fairly presented, in all material respects, in accordance with the reporting criteria.
<b>Reporting criteria</b>	Health for Humanity 2020 Goals and Targets as defined in the Scorecard. World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol for Greenhouse Gas emissions.
<b>Assurance Standard</b>	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements (ISAE 3000 Revised).
<b>Assurance level</b>	Limited assurance.
<b>Respective responsibilities</b>	Johnson & Johnson is responsible for preparing the Report, including the Scorecard, and for the collection and presentation of the assured performance information and data. ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and on exercising our professional judgement.

- Conference calls with management representatives responsible for each of the Health for Humanity 2020 Goals and Targets and the implementation of the related activities undertaken in 2019;
- A review of the reporting principles, boundaries, definitions and internal guidelines for each of the selected Health for Humanity 2020 Goals and Targets;
- A high-level review of the greenhouse gas (GHG) and renewable energy data to confirm consistency with the findings of our separate GHG and renewable energy verification engagement including completeness and consistency over time and the restatements of the baseline and prior year data;
- A review of samples of underlying documentary evidence and data to support the reported cumulative progress for each Health for Humanity 2020 Goal and Target, including internal and external documents; and
- A review of the presentation of information relevant to the scope of our work on [healthforhumanityreport.jnj.com](http://healthforhumanityreport.jnj.com) and in the PDF version of the Report to ensure consistency with our findings.



**Jennifer Iansen-Rogers**

Head of Corporate Assurance  
02 June 2020



ERM Certification and Verification Services, London  
[www.ermcvs.com](http://www.ermcvs.com); email: [post@ermcvs.com](mailto:post@ermcvs.com)

*ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the ERM staff that have undertaken this engagement work have provided no consultancy related services to this client in any respect.*

## The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating, or estimating the underlying information. It is important to understand our assurance conclusions in this context. In addition, the assured information should be read in conjunction with the boundary and consolidation policies under 'About this Report' on page 104 and the disclosures provided under the column 'Notable' in the Scorecard. Regarding the formation on [healthforhumanityreport.jnj.com](http://healthforhumanityreport.jnj.com), we provide no assurance over any information other than as described in our assurance scope above nor on changes to the content of the assured information after the date of this assurance statement.

## Our observations

We have provided Johnson & Johnson with a separate management report with our detailed findings and recommendations.

# Independent Assurance Statement

## UN Sustainable Development Goals Commitment Progress

ERM Certification and Verification Services (ERM CVS) was engaged by Johnson & Johnson to provide limited assurance on the cumulative 2016 – 2019 progress against the Company’s 2020 Targets related to its SDG 2030 Vision and aspirations as presented in the Johnson & Johnson 2019 Health for Humanity Report (the Report) and on [healthforhumanityreport.jnj.com](http://healthforhumanityreport.jnj.com) as set out below.

### Our conclusion

Based on our assurance activities, as described below, nothing has come to our attention to indicate that the cumulative progress (2016 – 2019) against the 2020 SDG Targets as reported in the SDG Progress Scorecard on pages 15 to 18 of the Report and on [healthforhumanityreport.jnj.com](http://healthforhumanityreport.jnj.com) is not fairly presented, in all material respects, in accordance with the reporting criteria.

### Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. During this year’s assurance engagement, due to travel restrictions following the outbreak of COVID-19, we changed our planned head office visit to a ‘virtual’ visit via video/conference calls. A multi-disciplinary team of sustainability and assurance specialists performed assurance procedures as follows:

- A review of the 2020 SDG goal definitions, underlying programs and reporting guidance, where available.
- Conference calls to:
  - interview Johnson & Johnson management representatives to understand the 2030 Vision strategy and the philosophy behind the goals and 2020 Targets;

Engagement Summary	
<b>Scope of our assurance engagement</b>	Whether cumulative 2016-2019 progress against the 2020 Targets as reported in the 2019 UN Sustainable Development Goals (SDG) Progress Scorecard on pages 15 to 18 in the Report and on <a href="http://healthforhumanityreport.jnj.com">healthforhumanityreport.jnj.com</a> is fairly presented, in all material respects, in accordance with the reporting criteria.
<b>Reporting criteria</b>	The 2020 Targets (under Vision 2030) as described in the Progress Scorecard.
<b>Assurance Standard</b>	ERM CVS’ assurance methodology, based on the International Standard on Assurance Engagements (ISAE 3000 Revised).
<b>Assurance level</b>	Limited assurance.
<b>Respective responsibilities</b>	Johnson & Johnson is responsible for preparing the Report and for the collection and presentation of the information within it. ERM CVS’ responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and on exercising our professional judgement.

- understand and evaluate the systems and processes used to manage the performance commitments, related programs and associated partner organisations, and monitor progress against these;
- interview goal owners and business unit representatives involved in collecting, evaluating and reporting progress against the 2020 Targets.



**Jennifer Iansen-Rogers**

Head of Corporate Assurance  
02 June 2020

- Interviews with selected Johnson & Johnson partners responsible for delivering programs and providing the data used to report the 2016 to 2019 progress towards the 2020 Targets.
- A review of completeness and the consolidation of the program results for 2016 to 2019 for each Target in order to reduce the risk of double counting and to understand assumptions as well as overlaps with some of the Johnson & Johnson Health for Humanity 2020 Goals for which we undertook a separate assurance engagement.
- A review of the explanatory notes in the 'Notables' column in the SDG Progress Scorecard and in the section on 'The Challenges of reporting and assuring progress against the SDG goals' to ensure consistency with our findings.



ERM Certification and Verification Services, London  
www.ermcvs.com; email: post@ermcvs.com

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### The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the nature of the ambitious Johnson & Johnson aspirations and Ttargets and the dependence on partner organisations to deliver programs and provide performance information, as well as the use of estimates, assumptions and extrapolations to report progress. Johnson & Johnson describes these uncertainties in the 'Challenges of reporting and assuring progress against the SDG goals' on page 18 of the Report. It is important to understand our assurance conclusions in this context. Regarding the information on healthforhumanityreport.jnj.com, we provide no assurance over changes to the content of the web-based information after the date of this assurance statement.

### Our observations

We have provided Johnson & Johnson with a separate management report with our detailed findings and recommendations.

# Independent Assurance Statement

## GHG Emissions Data

ERM Certification and Verification Services (ERM CVS) was engaged by Johnson and Johnson to provide assurance in relation to the information set out below and presented on pages 13, and 94 to 95 in the Johnson & Johnson 2019 Health for Humanity Report (the Report) and on [healthforhumanityreport.jnj.com](http://healthforhumanityreport.jnj.com) as set out below.

### Our conclusion

Based on our activities, nothing has come to our attention to indicate that the following selected 2019\* corporate metrics are not fairly presented, in all material respects, with the Reporting Criteria. This conclusion is to be read in the context of the remainder of this report, in particular the information in the emphasis of matter and inherent limitations paragraphs below.

**Scope 1 GHG emissions: 415,094 MT CO<sub>2</sub>e**

**Scope 2 GHG (location-based) emissions: 648,598 MT CO<sub>2</sub>e**

**Scope 2 GHG (market-based) emissions: 518,542 MT CO<sub>2</sub>e**

**Scope 3 GHG emissions for the following categories:**

- Purchased goods and services **9,229,943 MT CO<sub>2</sub>e**
- Capital goods **281,092 MT CO<sub>2</sub>e**
- Fuel and energy related activities (Transmission and distribution losses only) **47,245 MT CO<sub>2</sub>e**
- Upstream transportation and distribution **2,201,590 MT CO<sub>2</sub>e**
- Waste generated in operations (Non-hazardous waste only) **3,618 MT CO<sub>2</sub>e**
- Business Travel **601,637 MT CO<sub>2</sub>e**

Engagement Summary	
<b>Scope of our assurance engagement</b>	Whether the corporate 2019* data for the following selected indicators are fairly presented, in all material respects, in accordance with the reporting criteria: <ul style="list-style-type: none"> <li>• Total absolute Scope 1 GHG emissions in metric tonnes (MT) of CO<sub>2</sub>e</li> <li>• Total absolute Scope 2 GHG emissions in metric tonnes (MT) of CO<sub>2</sub>e reported using the location based and market based methods</li> <li>• Total absolute Scope 3 GHG emissions in metric tonnes (MT) of CO<sub>2</sub>e for the following categories:                             <ul style="list-style-type: none"> <li>• Purchased goods and services</li> <li>• Capital goods</li> <li>• Fuel and energy related activities (Transmission and distribution losses (T&amp;D) losses only)</li> <li>• Upstream transportation and distribution</li> <li>• Waste generated in operations (Non-hazardous waste only)</li> <li>• Business Travel</li> <li>• Upstream Leased Assets</li> <li>• Downstream transportation and distribution for US operations (from the EPA SmartWay program for the year ending 31st December 2018)</li> </ul> </li> <li>• Total NO<sub>x</sub> and SO<sub>x</sub> from facility combustion sources in metric tonnes (MT)</li> <li>• Percentage of electricity use generated by renewable energy sources</li> </ul>
<b>Reporting criteria</b>	The WBCSD/WRI GHG Protocol (2004, as updated January 2015) for the Scope 1, 2 and 3 emissions. Johnson & Johnson's internal reporting criteria and definitions for the other metrics.
<b>Assurance Standard</b>	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
<b>Assurance level</b>	Limited assurance
<b>Respective responsibilities</b>	Johnson & Johnson is responsible for preparing the data and for its correct presentation in the Report to third parties, including disclosure of the reporting criteria and boundary.  ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

\* 2018 for Scope 3 Downstream transportation and distribution

About Johnson & Johnson

Our Approach

Better Health for All

Responsible Business Practices

Environmental Health

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- Upstream Leased Assets **39,830 MT CO<sub>2</sub>e**
- Downstream transportation and distribution (from the EPA SmartWay program) **65,447 MT CO<sub>2</sub>e**

NOx from combustion sources: 254 MT

SOx from combustion sources: 51 MT

Percentage of electricity use generated by renewable energy sources: 30%

**Emphasis of matter**

Without affecting our conclusion, which is not modified, we draw attention to the explanatory notes provided by Johnson & Johnson relating to the data on page 94 of the Report, in particular the limitations relating to the data for the Scope 3 categories 5 and 9 on page 95 of the Report which should be read in conjunction with the data.

**Our assurance activities**

Our objective was to assess whether the assured emission data are reported in accordance with the principles of completeness, comparability (across the organisation) and accuracy (including calculations, use of appropriate conversion factors and consolidation). We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. We applied a 5% material error threshold.

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

- Virtual interviews with relevant staff to understand internal reporting processes, including the use of its GHG Management Plan, internal spreadsheets, and its various internal data management and reporting systems;

- A review of samples of primary data such as invoices;
- A review of the calculations undertaken, including conversion factors and emission factors used;
- A review of estimates, extrapolations and assumptions made in relation to the data for relevant GHG Scope 3 categories; and
- An analytical review of the consolidated year end data for each metric.

**The limitations of our engagement**

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context. Our work was undertaken remotely. We did not undertake source data verification at any operated facilities. Our independent assurance statement provides no assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the information since it was first published.

**Our observations**

We have provided Johnson & Johnson with a separate management report with our detailed (non-material) findings and recommendations. Without affecting the conclusions presented above, we have the following key observation:

- Johnson & Johnson should document both qualitatively and quantitatively their uncertainty information for each GHG Scope 3 category, and describe their efforts to record uncertainty in future revisions of the Scope 3 emissions inventory.



**Jennifer Iansen-Rogers**  
Head of Corporate Assurance  
02 June 2020



ERM Certification and Verification Services, London  
www.ermcvs.com; email: post@ermcvs.com

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## Report of Independent Accountants

To the Board of Directors of Johnson & Johnson

We have reviewed the accompanying Johnson & Johnson management assertion, that the metrics identified in the Schedule of Metrics in management's assertion as of December 31, 2019 or for the year then ended, are presented in conformity with the assessment criteria set forth in management's assertion.

Johnson & Johnson's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA") in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order to be fairly stated. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the AICPA.

We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

The preparation of the metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could result in materially different amounts or metrics being reported.

Based on our review, we are

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers LLP", is written over a light gray rectangular background.

**June 11, 2020**

PricewaterhouseCoopers LLP, 400 Campus Drive, Florham Park, NJ 07932 | [www.pwc.com](http://www.pwc.com)

# Johnson & Johnson Management Assertion

## As of December 31, 2019 or for the year then ended

Johnson & Johnson (“management”) is responsible for the completeness, accuracy, and validity of the accompanying metrics reported in the Health for Humanity Report as of December 31, 2019 or for the year then ended (the reporting year) for global operations, unless otherwise noted within management’s criteria.

With respect to the metrics reported in the table below, which are also included in the Health for Humanity Report, management of Johnson & Johnson asserts that such metrics are presented in conformity with the assessment criteria set forth below. The metrics included in the table below have been rounded to the nearest whole number unless otherwise indicated. Management is responsible for the selection or development of the criteria, which management believes provide an objective basis for measuring and reporting on the selected metrics.

The preparation of the metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could result in materially different amounts or metrics being reported.

### Schedule of Metrics

METRIC TOPIC	METRIC DESCRIPTION	METRIC VALUE	MANAGEMENT’S CRITERIA
<b>Contributions/Philanthropy</b>	Total cash and products contributed globally (millions)	\$1,806	Contributions are cash or product donations made to qualified nonprofit entities (i.e., 501(c)(3) organizations in the U.S., or with an NGOsource 501(c)(3) equivalency determination for organizations outside the U.S.) by Johnson & Johnson during the reporting year.  Product donations are measured at fair market value (defined as the selling price of a product as determined by an internal Johnson & Johnson price list in USD as of December 31, 2019), which is the price Johnson & Johnson would sell to consumers on the market.  Metric values are represented in millions of USD.
	Cash contributed globally (millions)	\$423	
	Products contributed globally (millions)	\$1,383	



METRIC TOPIC	METRIC DESCRIPTION	METRIC VALUE	MANAGEMENT'S CRITERIA
<b>Diversity &amp; Inclusion (D&amp;I) &amp; General Workforce</b>	Total number of employees (i.e., Global Workforce)	137,701 Women: 47.8%	<p>Global Workforce is the global employee headcount as of December 31, 2019, excluding employees on long term disability (LTD) as of December 31, 2019 and employees of acquired companies who are not yet reflected in the Johnson &amp; Johnson Human Resources Information Systems (HRIS) (which does not exceed 2 years from the date of acquisition). This data is based on headcount from the HRIS. HRIS headcount differs from that used for the headcount in Johnson &amp; Johnson's Form 10-K, which is based on the number of full-time equivalent positions (FTE).</p> <p>An employee is defined as an individual working full-time or part-time, including fixed term employees, interns and co-op employees. Contingent workers, contractors, and subcontractors are excluded.</p> <p>An individual working full-time is defined as an employee working 40 hours or more a week. An individual working part-time is defined as an employee working less than 40 hours a week.</p> <p>Gender and ethnic/racial diversity is reported in accordance with the gender, ethnicity and race as self-reported by the employee and recorded in HRIS as of December 31, 2019.</p> <p>Age diversity is reported by age groups as of December 31, 2019 as self-reported by the employee and recorded in HRIS.</p> <p>For job category metrics, the job category (i.e., vice president, manager and directors, or professionals), is obtained from HRIS as of December 31, 2019. Other is defined as employees who self-reported as American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander or two or more races.</p>
	Total Number of Employees by Region	Asia Pacific: 28,195 Europe, Middle East & Africa: 42,582 Latin America: 20,182 North America: 46,742	
	Gender Diversity by Employment Type	<b>Full-time employees</b> Women: 46.7%  <b>Part-time employees</b> Women: 82.6%	
	Gender Diversity by Region	Asia Pacific: Women: 46.0% Europe, Middle East & Africa: Women: 49.7% Latin America: Women: 50.2% North America: Women: 46.1%	
	Gender Diversity by Job Category	Vice Presidents: Women: 34.2% Managers and Directors: Women: 46.2% Professionals: Women: 49.5%	

METRIC TOPIC	METRIC DESCRIPTION	METRIC VALUE	MANAGEMENT'S CRITERIA
<b>Diversity &amp; Inclusion (D&amp;I) &amp; General Workforce</b>	Age Diversity by Job Category	<p><b>Vice Presidents</b>                      Under 30: 0%                      30-50: 46.3%                      50+: 53.7%</p> <p><b>Managers and Directors</b>                      Under 30: 1.3%                      30-50: 73.2%                      50+: 25.6%</p> <p><b>Professionals</b>                      Under 30: 21.4%                      30-50: 61.7%                      50+: 16.9%</p>	<p>For women in executive positions, executives are defined as employees reporting directly to the Chairman of the Board and Chief Executive Officer based on an organization chart including names and positions as of December 31, 2019.</p> <p>For women in management positions, the pay grades are obtained from HRIS as of December 31, 2019. Pay grade 30 and above is considered a management position.</p> <p>For new employee hire metrics, new employee hires are external hires with a start date between January 1, 2019 and December 31, 2019 per HRIS.</p>
	Ethnic/Racial Diversity in the U.S. by Job Category	<p><b>Managers and Directors</b>                      Asian: 16.6%                      Black/African American: 5.0%                      Hispanic/Latino: 7.0%                      Other: 1.2%</p> <p><b>Professionals</b>                      Asian: 12.0%                      Black/African American: 7.6%                      Hispanic/Latino: 10.4%                      Other: 2.0%</p>	
	Diversity in the Board Composition	Women: 28.6% Ethnic/Racial Diversity: 21.4%	
	Gender Diversity in Executive and Management Positions	Women in executive positions: 14.3% Women in management positions: 45.8%	
	Total Number of New Employee Hires	21,948	
	New Employee Hires by Gender	Women: 51.4%	

METRIC TOPIC	METRIC DESCRIPTION	METRIC VALUE	MANAGEMENT'S CRITERIA
<b>Diversity &amp; Inclusion (D&amp;I) &amp; General Workforce</b>	New Employee Hires by Age	Under 30: 52.7% 30-50: 42.8% 50+: 4.5%	
	New Employee Hires by Region	Asia Pacific: 28.9% Europe, Middle East & Africa: 27.0% Latin America: 16.5% North America: 27.6%	

METRIC TOPIC	METRIC DESCRIPTION	METRIC VALUE	MANAGEMENT'S CRITERIA
<b>Environmental Health &amp; Safety (EH&amp;S) Governance</b>	Number of environmental non-compliances	61	Environmental non-compliances represent instances of non-compliance with environmental regulatory requirements or laws that were either (i) self-reported to authorities in the reporting year or (ii) identified by authorities and the non-compliance occurred in the reporting year. The authorities include regional, national, state/country/province, and local/city regulatory agencies.  Fines paid for environmental non-compliances include those paid in the reporting year. It does not include fines assessed and/or under negotiation that were not paid.  Environmental non-compliances and fines paid exclude newly acquired sites (i.e., owned less than 2 years as of December 31, 2019).  Metric values (fines and/or penalties) are represented in thousands of USD.
	Fines paid for environmental non-compliances (thousands)	\$41	
	Number of manufacturing and R&D sites certified to ISO 14001	100	OHSAS is the Occupational Health and Safety Assessment Series.  Certified to ISO 14001, OHSAS 18001 or ISO 45001 means the site has received an external certification that is valid as of December 31, 2019.  Small research & development (R&D) and manufacturing sites, defined as having less than 50 employees, are exempt from the Johnson & Johnson internal requirement to have ISO 14001 (Environmental Management) certification. Newly acquired sites (i.e., owned less than 3 years as of December 31, 2019) are also exempt from the internal Johnson & Johnson requirement to have ISO 14001 certification.  Total number of R&D and manufacturing sites used in the numerator and denominator is based on the sites Johnson & Johnson internally requires to have ISO 14001 certification.
	Percentage of manufacturing and R&D sites certified to ISO 14001	97%	
	Percentage of manufacturing and R&D sites certified to OHSAS 18001 or ISO 45001	24%	

METRIC TOPIC	METRIC DESCRIPTION	METRIC VALUE	MANAGEMENT'S CRITERIA
<b>Employee Retention &amp; Turnover</b>	Johnson & Johnson employees involved in R&D activities	17.6%	<p>R&amp;D activities include employees classified under job functions of R&amp;D and Engineering in HRIS as of December 31, 2019.</p> <p>Employee count used in the denominator is consistent with the Global Workforce number used for D&amp;I metrics above.</p>
	Managers and above moved across functions, country or business segment lines, building diversity of experiences	43%	<p>The metric represents the percentage of employees in Manager and above job categories (defined as pay grade 30 or above in HRIS as of December 31, 2019) who moved across function, country or business segment lines within Johnson &amp; Johnson during the reporting year (includes upward promotion, downward demotion, or lateral transfer).</p> <p>Employee count excludes fixed term, intern, co-op employees, employees classified as being on long-term disability, and employees of acquired companies who are not yet reflected in HRIS.</p> <p>Employee movement is tracked monthly and then consolidated at year end. If an employee moves across both function and country in the same month, it is only counted as one move.</p>
	Overall voluntary turnover	8%	<p>Employee count excludes fixed term, intern, co-op employees, employees classified as being on long-term disability, and employees of acquired companies who are not yet reflected in HRIS. Employee count does not include employees that were hired and terminated within the same month. Employees who are not part of the performance management process are excluded from the voluntary turnover of high performers metric. Voluntary turnover excludes employees leaving the company due to retirement or death.</p> <p>For overall voluntary turnover, the total employee count used in the denominator is the total employee count average of the twelve months in 2019. For voluntary turnover of high performers, the denominator is the total high performers average of 12/31/2019 and 12/31/2018.</p> <p>High performer is defined as an individual with two consecutive annual performance ratings of Exceeds/Exceeds, Exceeds/Fully Meets, or Fully Meets/Exceeds ratings (note that "exceeds" is one out of 4 possible dimension ratings).</p>
	Voluntary turnover of high performers	4%	

METRIC TOPIC	METRIC DESCRIPTION	METRIC VALUE	MANAGEMENT'S CRITERIA
<b>Employee Safety</b>	Lost Workday Case (LWDC) rate	Global: 0.07 Asia Pacific: 0.06 Europe, Middle East & Africa: 0.05 Latin America: 0.06 North America: 0.08	<p>Includes data as of December 31, 2019 and hours worked in the reporting year. Newly acquired sites (i.e. owned less than 2 years as of December 31, 2019) are excluded from occupational safety metrics.</p> <p>LWDC rate, TRIR, SIIC rate, and fatalities are calculated using the Global Workforce and any contingent workers (i.e. workers supplied by third party agencies that are the worker's employer of record) are intended to supplement or temporarily replace existing workforce and are directly supervised by a Johnson &amp; Johnson employee. Cases from contractor/ subcontractors (who are not contingent workers) are not included.</p> <p>"Lost Workdays" are calendar days where an employee is unable to work due to illness or injury, beginning the day after an incident has taken place through the last day of leave (excluding holidays and vacations).</p> <p>LWDC rate: (number of LWDC * 200,000 work hours) / total work hours per the internal Johnson &amp; Johnson CURVE system.</p> <p>TRIR: (number of recordable cases * 200,000 work hours) / total work hours.</p> <p>SIIC rate: (number of SIIC * 200,000 work hours) / total work hours.</p>
	Total Recordable Injury Rate (TRIR)	Global: 0.31 Asia Pacific: 0.12 Europe, Middle East & Africa: 0.27 Latin America: 0.25 North America: 0.42	
	Serious Injury and Illness Case (SIIC) rate	Global: 0.04 Asia Pacific: 0.04 Europe, Middle East & Africa: 0.03 Latin America: 0.02 North America: 0.06	
	Number of fatalities	Global: 0	

METRIC TOPIC	METRIC DESCRIPTION	METRIC VALUE	MANAGEMENT'S CRITERIA
<b>Product Quality</b>	Number of regulatory inspections of Johnson & Johnson sites by worldwide health authorities	521	<p>Health authorities are organizations with authority over the development, manufacture, distribution, placing on the market, and post market surveillance of products. For example, the US Food and Drug Administration (FDA), Korean Food and Drug Administration (KFDA), British Standards Institution (BSI), and Health Canada.</p> <p>A regulatory inspection is defined as an inspection conducted by the health authority to determine compliance with applicable laws and regulations.</p> <p>An FDA inspection is defined as a regulatory inspection performed by the FDA, and an observation is defined as the observed condition or practice indicating that an FDA-regulated product may be in violation of FDA's requirements. The observations are listed on FDA Form 483 during inspections conducted by FDA, and then provided to the manufacturer following the FDA inspection.</p> <p>Independent audits are conducted by internal Johnson &amp; Johnson Regulatory Compliance (JJRC) auditors at Johnson &amp; Johnson sites and external manufacturing sites.</p> <p>An external manufacturing site is defined as not owned or operated by Johnson &amp; Johnson.</p>
	Percentage of inspections that resulted in zero observations	73%	
	Number of FDA inspections of Johnson & Johnson sites	17	
	Percentage of FDA inspections that resulted in zero observations	76%	
	Average number of observations per FDA inspection	0.6	
	Number of independent audits of Johnson & Johnson sites to ensure compliance with Johnson & Johnson Quality Policy & Standards	156	
	Number of independent audits of external manufacturing sites to ensure compliance with Johnson & Johnson Quality Policy & Standard	264	
	Number of FDA Warning Letters issued, total for enterprise	1	

## References

- 1 Imbokodo is supported by a public-private partnership led by Janssen Vaccines & Prevention B.V., the Bill & Melinda Gates Foundation, the National Institutes of Health, the HIV Vaccine Trials Network (HVTN), and by other additional partners.
- 2 [https://www.unaids.org/sites/default/files/media\\_asset/2019-UNAIDS-data\\_en.pdf](https://www.unaids.org/sites/default/files/media_asset/2019-UNAIDS-data_en.pdf) , p.18
- 3 <https://www.who.int/en/news-room/fact-sheets/detail/influenza> (seasonal)
- 4 <https://www.who.int/hepatitis/news-events/hbv-cure-overview/en/>
- 5 <https://www.jnj.com/innovation/meet-janssen-researcher-working-on-human-e-coli-vaccine>
- 6 <https://www.weforum.org/agenda/2019/01/three-ways-to-mobilize-for-mental-health/>
- 7 <https://www.who.int/news-room/fact-sheets/detail/mental-disorders>
- 8 <https://www.holmusk.com/research/#news-holmusk-janssen-china-mental-health-mou>
- 9 <https://www.healthpolicy-watch.org/no-time-to-wait-amr-could-cause-10-million-deaths-annually-by-2050-warns-un-report/>
- 10 The large increase in 2019 was attributed to a one-time donation of ORTHO TRI-CYCLEN to Direct Relief that was distributed in support of the Syrian Refugee Crisis.
- 11 Includes employees classified under job functions of R&D and Engineering.
- 12 National Institute of Allergy and Infectious Diseases. Respiratory syncytial virus. Available at: <https://www.niaid.nih.gov/diseases-conditions/respiratory-syncytial-virus-rsv>. Last accessed: September 2019.
- 13 According to PitchBook Search of CVC Investors Disclosed Healthcare Deals from Nov 1, 2018 – Oct 31, 2019.
- 14 Represents the proportion of employees in Manager and above job categories who in their career progression movement (including upward promotion, downward demotion, or lateral transfer) crossed function, country or business segment lines.
- 15 Contingent workers (i.e. workers supplied by third party agencies that are the worker's employer of record) are intended to supplement or temporarily replace existing workforce and are directly supervised by a Johnson & Johnson employee.
- 16 [https://c40-production-images.s3.amazonaws.com/other\\_uploads/images/2022\\_TOWARD\\_A\\_HEALTHIER\\_WORLD.original.pdf?1543934003](https://c40-production-images.s3.amazonaws.com/other_uploads/images/2022_TOWARD_A_HEALTHIER_WORLD.original.pdf?1543934003)
- 17 Adaptiv #103669830
- 18 STELARA as compared to ENBREL™ and HUMIRA™. SIMPONI as compared to REMICADE, ENBREL™ and HUMIRA™.
- 19 Geert Van Der Vorst et al., "Green Chemistry," February 2013,15, 744 – 748.



**2019 Health for Humanity Report**  
Progress in Sustainability



**Contact us:**

WW-Corporate-Governance@its.jnj.com  
One Johnson & Johnson Plaza  
New Brunswick, New Jersey 08933  
healthforhumanityreport.jnj.com  
jnj.com