Johnson Johnson

2021 Health for Humanity Report

Progress in Sustainability



Contents

Report Overview

This Report details the progress of the Johnson & Johnson Family of Companies in sustainability. It is also our primary source of annual disclosure on environmental, 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, 2021, and December 31, 2021, unless otherwise noted. Reporting on other matters specific to financial performance of the Company and its subsidiaries can be found in our 2021 Annual Report. For more information and the Cautionary Note Regarding Forward-Looking Statements please see About this Report.

Cover photo: Desi I. was just 21 when she had knee surgery—an experience that inspired her to make the process better for other patients. Today as a Robotics and Digital Solutions Product Manager at Johnson & Johnson she is using robotics to help make knee-replacement surgery less invasive and more personalized. Photo on right: On 3 August 2021 in Darchula District in Nepal's remote far-west, Birma Devi Kunwar takes Johnson & Johnson COVID-19 vaccines - donated by the U.S. Government to Nepal through the COVAX Facility - from the district vaccine store. Photo by UNICEF.



Learn more about Our Approach:



Colleagues in Belgium review programs fueling progress toward the UN Sustainable Development Goals.

About Johnson & Johnson

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-16, 207(103), 207-4



Our Purpose

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

Our Values

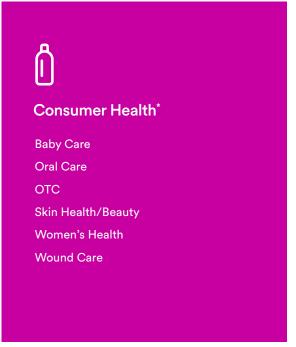
We are driven by Our Credo, a set of values and principles that, since 1943, has challenged and inspired us to put the needs and well-being of the people we serve first.

Our Business

Johnson & Johnson, through its Family of Companies ("the Company"), is the largest and most diversified healthcare company in the world. Our operating companies employ approximately 144,300 employees in virtually all countries of the world, who are engaged in the research and development, manufacture and sale of a broad range of products in the healthcare field. We work with more than 45,300 suppliers and hundreds of external manufacturers to support the development and manufacturing of our products worldwide. The Company's product portfolio includes thousands of Pharmaceutical, MedTech and Consumer Health products that address the health and wellness needs of people every day.

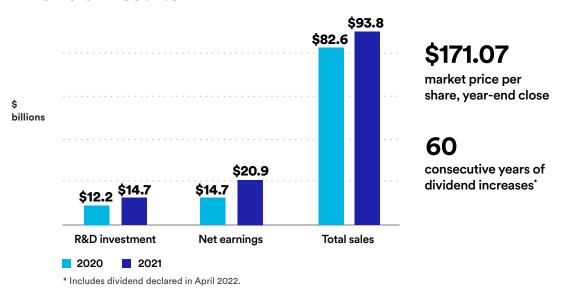






^{*} In November 2021, the Company announced its intention to separate the Company's Consumer Health business, with the intention to create a new, publicly traded company. The Company is targeting completion of the planned separation in 18 to 24 months after the initial announcement.

Financial Results



Sales by Business Segment (Billions)



Pharmaceutical





Our Global Footprint

144,300 **Employees**

\$93.8

Billion in sales



926



United States

25 Europe



25 Africa, Asia and Pacific

Our Total Tax Contribution¹

Our Tax Responsibility

First published in 1943, Our Credo stipulates that paying our fair share of taxes is our responsibility to the communities in which we live and work. Our tax footprint evolves over time and reflects our healthcare activities and investments, including in research and development and manufacturing. What does not change or waver is our commitment to good corporate citizenship, which we demonstrate through sustainable values and behaviors relating to tax governance and controls, compliance, tax planning, relationships with governmental authorities and transparency, which are more fully described in our Johnson & Johnson Tax Policy.

In 2021, Johnson & Johnson contributed approximately \$13.1 billion in taxes and fees to governments and economies around the world. This Total Tax Contribution is made up of two components: Total Taxes Borne by the Company and Total Taxes Collected. Taxes Borne are a direct cost to the Company, whereas Taxes Collected are collected from customers and employees on behalf of governments and ultimately remitted to them.

Our intent is to provide a comprehensive view of total taxes paid around the world. Corporate Income Tax represents payments in all markets in which we operate and is the amount reported as Income Taxes Paid in the 2021 Annual Report. Other taxes shown aggregate the Company's data from 22 major markets that represent the vast majority of our revenues. We aspire to include all markets in future years.

2021 Tax Contribution (Billions)	Taxes Borne	Taxes Collected		
Corporate income tax	\$4.8	_		
Payroll & social insurance taxes	\$1.5	\$4.6		
Sales/use & other taxes	\$0.9	\$1.3		
Total	\$7.2	\$6.0		
Total tax contribution: \$13.1				

Total Taxes Borne

In 2021, Johnson & Johnson bore \$7.2 billion in taxes around the world. The taxes include corporate income taxes, the Company's share of payroll and social insurance taxes, and the Company's share of sales and other taxes. Sales taxes include sales, use, and non-recoverable value-added tax. Other taxes are primarily composed of customs and other duties such as local taxes and fees charged to the pharmaceutical industry.

Total Taxes Collected

Additionally, in 2021 Johnson & Johnson collected \$6.0 billion related to the commerce the Company generates. These collections were in the form of payroll and social insurance taxes from more than 144,000 employees across the world, sales and use taxes and value-added taxes. These taxes are collected on behalf of governments and from employees, customers and other business partners. Total Taxes Collected are an important part of the measure of the contribution made by Johnson & Johnson through job creation and business activities in the many countries in which we do business.

Message from Our CEO

GRI 102-14

To Our Global Community:

In 2021, society made progress in recovering from a global pandemic while, at the same time, continuing to grapple with persistent and interdependent global health, economic, geopolitical and environmental challenges. We are living through a time when the risks to a peaceful, prosperous global future feel as urgent as ever.

Against this backdrop, Johnson & Johnson sees a greater need for compassion, innovation and revitalization. Guided by Our Credo—a set of timeless values—our 144,000 employees feel a deep responsibility to deliver on Our Purpose of blending heart, science and ingenuity to profoundly improve the health for everyone, everywhere. To achieve this aspiration, we are focused on meaningful solutions, creating impact and collaboration.

In my first year as Chief Executive Officer, together with the Executive Committee and Board of Directors, we are charting our future to evolve and lead through an increasingly dynamic world. This includes announcing our intention to separate our Consumer Health business into a new publicly traded company and the creation of a new Johnson & Johnson with our Pharmaceutical and MedTech businesses to better serve patients and consumers, accelerate innovation, and unlock growth.

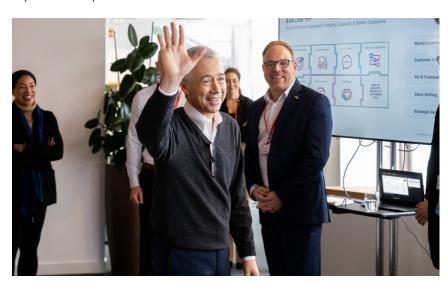
We also continued to deliver enduring impact by formalizing our <u>environmental</u>, <u>social and governance (ESG) strategy</u>, which frames our ambitions, informs our execution and creates accountability for our vision of the future. This is supported by our Health for Humanity 2025 Goals that we all stand behind.

Our ESG strategy is organized around three focus areas where we can achieve the greatest impact: championing global health equity, empowering our employees and advancing environmental health. This roadmap reflects our long-term goals to deliver value by helping patients and healthcare providers achieve better health outcomes, fostering rewarding opportunities for our employees and suppliers, protecting and strengthening communities, and providing profitable, sustainable growth for investors. All of this is underpinned by our commitment to accountability and innovation, as we conduct our business with integrity to continually earn the trust of those we serve and create value for all stakeholders.

Through innovative pharmaceutical therapies, medtech solutions and consumer health products, we aim to help patients and communities in the greatest need. We see unlimited possibilities in leveraging intelligent automation and data

science to transform healthcare. We believe that digitization, robotics and cloud connectivity will result in greater collaboration across healthcare communities by facilitating sharing of real-world data and delivery of breakthrough medical care for all.

At Johnson & Johnson, this approach to innovation is our future and how we will improve our impact on the world.



Joaquin Duato visits Johnson & Johnson's UK headquarters in High Wycombe.

In 2021, we made notable advances in our ESG performance and our Health for Humanity 2025 Goals, including:

• To drive global health equity, we provided our COVID-19 vaccine globally at a not-for-profit price and shipped 180 million doses of our single-shot COVID-19 vaccine to the African Union, COVAX and South Africa through advanced purchase agreements and country donations; we provided 731,000 nurses, midwives and community health workers with skills, tools and growth opportunities; as part of *Our Race to Health Equity*, we invested in culturally competent community care models to close racial health gaps, reaching 159,000 healthcare professionals and researchers in the U.S.; and we strengthened local economies by spending \$5.22 billion with small and diverse suppliers, achieving a milestone in our accountable business practices.

- To drive future innovation, our R&D spend increased to \$14.7 billion, the highest annual spend in our recent history.
- To further empower employees, we refreshed our Enterprise diversity, equity and inclusion strategy and increased global representation of women and ethnic, racially diverse employees at all levels of our business while reinforcing a culture of inclusion and belonging.
- To advance environmental health, in alignment with global climate change mitigation efforts, we signed the Race to Zero/Business Ambition for 1.5°C campaign, aiming to achieve net zero carbon emissions by 2045, as we further reduced our carbon footprint by 34%. And as part of our Healthy Lives Mission and as a signatory to the Ellen MacArthur Foundation's New Plastics Economy Global Commitment, Consumer Health declared a commitment to reduce total annual use of virgin plastics in packaging weight by 25% by 2025.

We are making strong progress toward achieving our Health for Humanity 2025 Goals. Already, we have exceeded one target and are on track to deliver against the remaining 20 goals.

As we look to the future, 2022 will be another transformative year. Our Purpose has never been clearer, and our resolve has never been stronger. We are committed to doing our part, as individuals, as a team and as partners within the global healthcare ecosystem.

It is with an acknowledgment of the major tasks that lie ahead, together with our determination to succeed, that I invite you to read this Report to learn of our progress and discover what is yet to come.

Thank you for your interest.

Toaqu'a Ducto

Joaquin Duato

Chief Executive Officer

Year in Brief

Champion global health equity



doses of our COVID-19 vaccine shipped to the African Union, COVAX and South Africa through advanced purchase agreements and country donations

>2 billion

doses of VERMOX donated since 2006 to facilitate treatment of intestinal worms

159,000

U.S. healthcare professionals and researchers provided development and support as part of Our Race to Health Equity commitments*

3,200

fistula repair surgeries supported through suture donations in 17 countries

Empower our employees

OUR VOICE SURVEY



***** 87%**

of employees would recommend Johnson & Johnson as a great place to work



34%

ethnic/racial diversity in management positions within the U.S.

2021

Advance environmental health



34%

reduction in global CO, e emissions (Scope 1 + Scope 2) since 2016



Race to Zero/Business Ambition for 1.5°C

campaign signed, aiming to achieve net zero carbon emissions by 2045

Lead with accountability and innovation

\$5.22 billion

spent with small and diverse suppliers, exceeding our Health for Humanity 2025 Goal in year one







0 98%

of employees completed Code of Business Conduct training, the highest completion rate to date

^{*} Funded in part by the Johnson & Johnson Foundation, a registered charity and a company limited by guarantee, and by the Corporation and operating companies across the Johnson & Johnson Family of Companies. The Foundation operates worldwide as Johnson & Johnson Foundation (founded 1953) and Johnson & Johnson Foundation Scotland (founded 2007).

Sustainability Governance

GRI 102-12, 102-13, 102-19, 102-20, 102-21, 102-26, 102-29, 102-32, 102-40, 102-42, 102-43, 102-44

A robust governance structure for environmental, social and governance (ESG) matters is essential to underpin the long-term success of our Company and our ability to deliver value for our stakeholders. Our sustainability governance includes oversight by the Board of Directors, management accountability, policies and management systems, and published policies and positions on key ESG topics.

The Johnson & Johnson Enterprise Governance Council (EGC) is the primary governance body for ESG topics and implementation of the Company's Enterprise Risk Management Framework. The EGC comprises senior leaders who represent our Pharmaceutical, MedTech and Consumer Health business segments and our global Enterprise functions.

In 2021, the EGC also oversaw and supported the Company's work on advancing ESG governance through our ESG Strategy and Priority Topics

Assessment (PTA) update. In addition, the EGC engaged regularly with teams across the Company on core ESG-driven initiatives such as Our Race to Health Equity and received briefings on our global public health, human rights and environmental strategies and responsible procurement practices. As sponsors of priority ESG topics, members of the Executive Committee contributed to all aspects of our ESG management approach throughout 2021, ranging from our ESG strategy to risk management and Health for Humanity 2025 Goals progress oversight. The Board of Directors and its Committees provided oversight at various points throughout the year.

Engaging With Our Stakeholders

As a global healthcare company, Johnson & Johnson interacts with numerous stakeholder groups at the global, national and local levels. Ongoing and proactive engagement with these groups makes our Company stronger and better informed by:

- helping us gain valuable insight into our stakeholders' perspectives and the topics that matter to them;
- enabling us to develop products and services that are responsive to their needs; and
- allowing us to share information about our Company's strategy, practices and performance.

The following are select examples of stakeholder engagements conducted in 2021:

Engaging with stakeholders on ESG: The PTA is an important mechanism to engage with key stakeholders and understand their views on ESG topics they believe are priorities for Johnson & Johnson. In 2021, we conducted a PTA update that engaged Johnson & Johnson leaders spanning multiple functions and geographies as well as external stakeholders, including NGOs, partners, suppliers and customers.

Members of both our management team and the Board of Directors met virtually with many shareholders around the world to discuss our Health for Humanity sustainability approach and our progress in key ESG measures.

We hosted our fourth annual ESG Investor Update webcast in June 2021, coinciding with the release of our annual Health for Humanity Report. The webinar provided stakeholders with the opportunity to engage and ask questions of our business leaders in investor relations; product quality; medical safety; legal; global public health; and environmental health, safety and sustainability.

Participating in strategic initiatives: To support dialogue and efforts related to the role of business in society, we continued to participate in important initiatives like the Council for Inclusive Capitalism with The Vatican, Chief Executives for Corporate Purpose's (CECP's) CEO Investor Forum and Business Roundtable (BRT). In 2021, Johnson & Johnson's former Chairman and CEO and current Executive Chairman, Alex Gorsky, served as Chair of BRT's Corporate Governance Committee, while Wanda Hope, Johnson & Johnson's Chief Diversity, Equity & Inclusion Officer, chaired BRT's Diversity and Inclusion Working Group.

Engaging with policymakers: Johnson & Johnson engaged in a variety of forums in the U.S. and around the world to advance policy related to the efficient and equitable access to medicine. We continue to support the Pharmaceutical Research and Manufacturers of America in driving patient-centered innovation, affordability and access alongside advocating for policies that support biopharmaceutical research and development for patients.

In 2021, we sponsored the Congressional Black Caucus Foundation's virtual Health Equity Summit focused on physical and mental health of the Black community in the wake of the COVID-19 pandemic and Congressional Hispanic Caucus Institute Leadership Conference plenary session on "Latinos and COVID-19: Beyond the Vaccine Phase."

We also advocated for key pieces of legislation in Congress, including the Black Maternal Health Momnibus Act of 2021, and improving data collection processes and quality measures to better understand the causes of the maternal health crisis in the U.S. and to inform solutions to address it. Johnson & Johnson also joined more than 70 healthcare advocacy groups in advocating for the Dr. Lorna Breen Health Care Provider Protection Act, which prioritizes the health and well-being of frontline health workers.

We also ensure that people's health and well-being are made a core consideration in all relevant EU policy areas, with appropriate prioritization and funding for health. In 2021, we supported the proposal for a European Health Union, the approval of a historic EU budget for health, the creation of Health Emergency Preparedness and Response (HERA), and the strengthening of key EU Health Agencies (EMA and ECDC). As the founding knowledge partner and sponsor of All Policies for a Healthy Europe, we also partnered on the development of numerous publications and policy dialogues by the coalition across three thematic areas: the economy of well-being (covering the COVID-19 pandemic response and recovery, health systems resilience, value-based healthcare, and the EU Beating Cancer policies), the digitalization of health (contributing our expertise to emerging Data Governance and Al policies), and environmental health (contributing our expertise to EU Green Deal policies).



Sustainability Governance

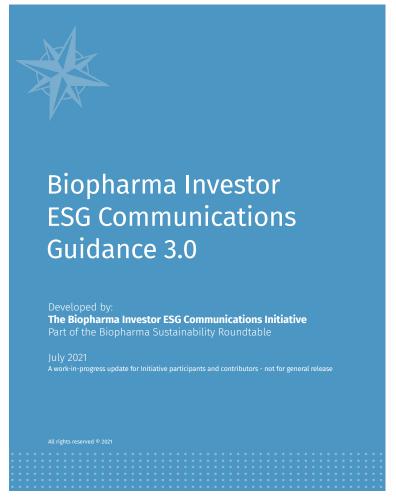
Improving our ESG Policies and Positions: We continued to update and improve our disclosures on key <u>ESG</u> topics in 2021. In particular, we added a Position on <u>COVID-19 and Intellectual Property Rights</u>.

Look for throughout the Report to indicate sections where we publish supporting ESG Policies & Positions and click to learn more.

Engaging with industry on ESG: Throughout 2021, Johnson & Johnson engaged with the pharmaceutical industry to address the most salient ESG topics for disclosure and reporting purposes to ensure the expertise of industry is reflected in the qualitative and quantitative metrics most relevant to the sector. Efforts with the International Federation of Pharmaceutical Manufacturers & Associations are facilitated by the Biopharma Sustainability Roundtable, a network that helps biotech and pharmaceutical executives drive their sustainability agendas forward. Johnson & Johnson is 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 decision-useful communications about the sector's most important ESG issues. In 2021, this Initiative published Integrating Sustainability and Long-Term Planning for the Biopharma Sector and participated in several investor engagements to ensure this sector's voice is reflected in company ESG disclosures. In particular, our former Chairman and CEO (and now Executive Chairman), Alex Gorsky, opened CECP's first sector-specific CEO Investor Forum in June 2021 in which CEOs of pharmaceutical and biopharma companies outlined their long-term plans for value creation.

Expanding our ESG frameworks: In 2020, Norges Bank Investment Management (NBIM) published a guidance note containing a set of indicators that companies may wish to consider when reporting on the effectiveness of their anti-corruption efforts to external stakeholders. The indicators cover: culture, risk management, third parties, compliance function and oversight. In the 2021 Health for Humanity Report, we have added a disclosure of our performance on anti-corruption efforts in line with NBIM guidance and indicators. This can be found in the ESG Disclosure Index.

Engaging stakeholders for this Report: Many internal stakeholders across Johnson & Johnson's global teams provided input for this Report. The CEO, the Disclosure Sub-Committee and the Disclosure Committee reviewed the Report outline and new metrics, and the Disclosure Committee reviewed the full Report. Our entire Executive Committee reviewed and approved the 2021 Health for Humanity Report, which includes our first year of externally assured progress against our Health for Humanity 2025 Goals, and which we consider key performance indicators of our ESG performance.



As a member of the Biopharma Investor ESG Communications Initiative, Johnson & Johnson has been engaging in a series of sector-focused direct dialogues between companies and investors since 2018.

Recognitions

- Included in the FTSE4Good Index Series for the 21st consecutive year
- Ranked #7 on Drucker Institute's Top 250
 Best-Managed Companies of 2021
- Included on TIME's list of the 100 Most Influential Companies
- Named as a Top 50 All-Star on Fortune's 2021 World's Most Admired Companies list for the 19th consecutive year
- Ranked #1 on Fortune's 2021 World's Most Admired Companies / Pharmaceutical Industry list for the eighth consecutive year
- Recognized by EcoVadis as being in the top 1% for Sustainable Procurement in the rated pharmaceutical industry companies
- Recognized with a CDP A List rating for leadership in climate action for the fourth consecutive year
- Ranked #3 for the second consecutive year on the Gartner 2021 Top 25 Supply Chain Companies list
- Awarded the #1 position on the Gartner 2021
 Healthcare Supply Chain Top 25 list
- Named on the DiversityInc 2021 Top Companies for ESG list
- Included on The Just 100 List for the third consecutive year
- Named to the CPA-Zicklin Index of Corporate Political Disclosure and Accountability for the fourth consecutive year with Trendsetter status
- Recognized as a "5 Star Employer" in the VETS Indexes Employer Awards
- Earned a 100% score in 2021 from the Human Rights Campaign Foundation and designation of a "Best Place to Work for LGBTQ+ Equality"

Sustainability Priorities

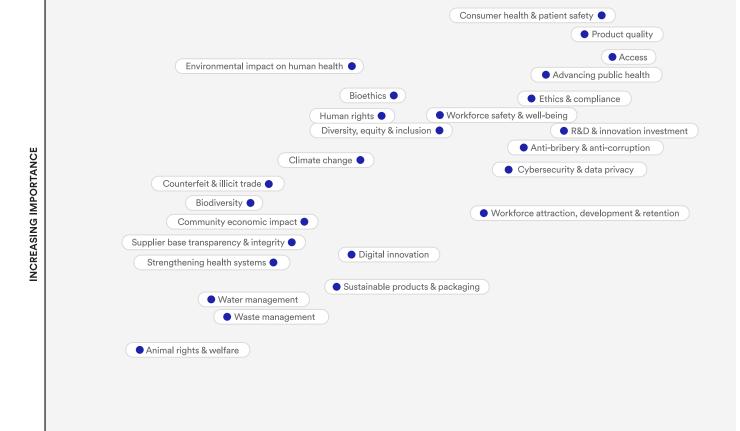
GRI 102-47

A materiality assessment is a foundational tool used by companies to identify, prioritize and strategically address relevant ESG topics that can have a significant impact on society or their business. Johnson & Johnson has been conducting such assessments, which we call Priority Topics Assessments (PTAs) since 2008, and we enhance our PTA methodology with each assessment. Typically, we have conducted the PTA every two to three years, but due to the continued world-shaping events of the COVID-19 pandemic and racial and social events of 2020, we conducted a PTA in 2020 and again in 2021.

In 2021, we aimed to improve alignment with the evolving needs of stakeholders and keep pace with industry <u>ESG</u> best practices. Building upon our 2019 and 2020 PTAs, we developed an updated list of ESG priority topics and revised our approach to include the concept of "double materiality," in which we examined ESG priority topics from two standpoints: the impact of a topic on Johnson & Johnson's business results and the impact of Johnson & Johnson's business on people, the environment and society in general.

Given changes made in 2021 to the priority topics assessed by our stakeholders, a direct comparison between 2021 and 2020 is not possible. However, in general, we saw similar areas of focus compared to prior years, with the highest priority topics remaining in top place, including: consumer health and safety; product quality; access; and advancing public health. The insights and data generated from the 2021 PTA refresh served as a critical input into our ESG strategy. A detailed description of the 2021 PTA process, methodology and definitions of topics can be found here. Additionally, the results of the PTA refresh further support the priority areas in which we set our Health for Humanity 2025 Goals. Disclosure on all our PTA ESG topics and progress against our Goals can be found in this 2021 Health for Humanity Report.

2021 Priority Topics Matrix



External Stakeholder Perspective

(Degree of stakeholder concern)

INCREASING IMPORTANCE

Johnson & Johnson Perspective

(Impact on business)

ESG Strategy & Goals

GRI 201(103

Now more than ever, businesses are expected to lead in the present and drive progress for the future. For more than 130 years, Johnson & Johnson has aimed to create a healthier world. Today, as the world's largest and most broadly based healthcare company, we have a unique ability to apply our expertise and partnering power to help solve some of the most challenging global health issues. Our environmental, social and governance (ESG) strategy is designed to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere.

In all we do, we are guided by the values outlined in Our Credo. Created more than 75 years ago, Our Credo declares our responsibility to our key stakeholders: our patients, healthcare providers, employees, communities and shareholders.

Our Credo values drive us to achieve Our Purpose—changing the trajectory of health for humanity—and ground our business strategy. This reflects our long-held belief that creating societal value is inextricably linked with generating long-term business value.

Through our Enterprise principles and our global growth drivers we enable our continued growth and performance against our ESG strategy.

Enterprise principles

- remain broadly based in healthcare
- use our reach and size for good
- lead with agility and urgency
- invest for enduring impact

Global growth drivers

- create life-enhancing innovation
- deliver excellence in execution
- generate shared value through partnerships
- empower and inspire our employees

Our ESG Strategy

We deliver enduring impact and create long-term value for our business and society by implementing our ESG strategy.

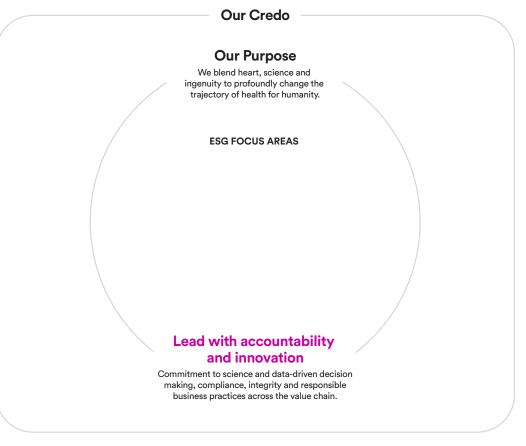
As a purpose-driven company, how we deliver enduring impact is embedded in our business strategy through the execution of our ESG strategy, which frames our ambitions, informs our operations and creates accountability for our vision of the future.

At the most senior level, our Board of Directors oversees the Executive Committee's implementation of our ESG strategy to promote responsible business practices through a culture of integrity and accountable leadership across our Company.

We focus our efforts on the areas where we are uniquely positioned to achieve the greatest impact—championing global health equity, empowering our employees and advancing environmental health. Leading with accountability and innovation is foundational to these efforts and essential to achieving Our Purpose, creating a virtuous circle that creates economic, environmental and social value for all those we serve.

We create long-term value by helping to achieve better health outcomes for patients and healthcare providers, foster rewarding opportunities for our employees and suppliers; protect and strengthen the communities in which we live and work; and provide profitable, sustainable growth for investors.

For more information, see our <u>ESG Strategy</u> and our <u>ESG Resources</u>.



Scroll over the ESG focus areas to learn more

Health for Humanity 2025 Goals

Measuring our ESG progress: We have a long history of setting and making progress toward our Health for Humanity Goals. In 2021, we launched our ambitious set of Health for Humanity 2025 Goals. Our Health for Humanity 2025 Goals align to our ESG focus areas and foundation of accountability and innovation, and are how we hold ourselves publicly accountable in creating a more sustainable society. We measure and publicly track performance against our Goals, with progress assured by a third party.

Through our Health for Humanity Goals, we support 11 of the 17 UN Sustainable Development Goals (SDGs), an ambitious global agenda to achieve a sustainable future by 2030. We are dedicating our expertise, ideas and ingenuity to catalyze efforts toward achieving those SDGs where the Company's unique constellation of strengths can help create scalable societal impact.



Health for Humanity 2025 Goals Scorecard At-A-Glance

See our <u>Health for Humanity 2025 Goals Scorecard</u> for full results.

Goal	Key Performance Indicator	Target	2021 Status	SDGs	
Global health equity					
Global Access Plans	% of identified assets from Johnson & Johnson Global Public Health and Janssen Infectious Diseases & Vaccines R&D pipeline with global access plans in place by 2025	100%	✓ On track		
Access to HIV Treatment	<u>LAI</u> Access Program in place in two <u>RLS</u> countries	Two countries	→ On track		
Access to Tuberculosis Treatment	# of cumulative patients receiving access to bedaquiline molecule (branded and generic) globally from 2021 through to end of 2025	700,000	→ On track		
Developing Tuberculosis (TB) Treatment	Stringent regulatory authority approval of a new TB drug/regimen that reduces treatment length and is at least as effective and safe as the current recommended treatment by 2030	New TB drug/regimen	→ On track		
Access to Schizophrenia Treatment	Complete a clinical study to demonstrate the health, economic and social value of using paliperidone palmitate LAI to treat schizophrenia in Rwanda by 2024	Complete clinical study	→ On track	3 5	
Support Frontline Health Workers	# of nurses, midwives and community health workers reached globally	1,000,000	→ On track	8 17	
Reduce Burden of Obstetric Fistula	# of fistula repair surgeries (based on surgeries reported or product donated)	10,000	→ On track		
Preventive Viral Vaccine Capabilities	Create playbook including Documented Organizational Readiness for Pandemic Preparedness based on the demonstrated accelerated process for emergency use licensure submission of our COVID-19 vaccine	Create playbook	→ On track		
Vaccination Monitoring Platform	Adoption of endorsed platform by at least two countries by 2025	Two countries	→ On track		
Healthcare for Women	Three best-practice healthcare for women insights published	Three	→ On track		
Our employees					
Women in Management	% of women in management positions	50%	→ On track		
Ethnic/Racial Diversity in Management	% of ethnic/racial diversity in management positions in the U.S.	35%	→ On track		
Black/African Americans in Management	% of Black and African American employees in management positions in the U.S.	50% growth from 2020	→ On track	4 5 10	
Healthiest Workforce Score	% of Johnson & Johnson leaders and managers achieving ≥80% annual Healthiest Workforce Score	80% of leaders and their managers	→ On track	k	
Women in STEM ² D	# of girls who have participated in virtual or in-person activities led by employees in partnership with nonprofit partners	2,000,000	→ On track		
Environmental health					
Renewable Electricity	% renewable electricity globally	100%	→ On track	3 7 11	
Carbon Neutrality for Our Operations	% absolute reduction in greenhouse gas (GHG) emissions – Scope 1 + 2 + carbon credits vs. 2016 baseline	100%	→ On track	12 13	
Scope 3 Emissions Reductions	% absolute reduction in greenhouse gas (GHG) emissions – Scope 3 (upstream) vs. 2016 baseline	20%	→ On track	12 13	
Accountability & innovation					
Supplier Sustainability	All suppliers included in one of the three Tiers	All suppliers	→ On track	5 8 9	
Global Supplier Diversity and Inclusion	Spend with Tier 1 small and diverse suppliers, social enterprise and Tier 2 supplier spend	\$4.5 billion	+ Exceeded	12 13 17	
Partnerships for Good	# of supplier partnerships	10	→ On track	12 13 17	

Read on in this section to learn about our progress in:

<u>Access</u>

R&D Innovation

Global Surgery

Mental Healthcare

<u>Vision</u>

Consumer Health

Our Race to Health Equity

Frontline Healthcare & Communities

COVID-19

<u>HIV</u>

<u>Tuberculosis</u>

<u>Ebola</u>

Neglected Tropical Diseases

Antimicrobial Resistance



Community health workers like Francis Ewoi in Kenya play a pivotal role in delivering care in rural communities. Photo by Elphas Ngugi.

Global Health Equity

As the world's largest healthcare company, Johnson & Johnson has a unique ability to apply its expertise and convening power to advance progress on some of the most difficult global health challenges. We strive to create long-term social value through delivering innovative medicines, vaccines, treatments and devices; improving access and affordability; supporting efforts to create stronger healthcare systems; and helping put a healthy mind, body and environment within reach of everyone, everywhere.

Our commitment to advancing global health equity incorporates our active efforts and collaborations to enhance access to medical treatment and healthcare for all people while breaking down historic racial and social barriers that hinder access to equitable healthcare solutions. Similarly, we contribute to increasing the resilience and capabilities of health systems so they can improve equitable access to healthcare for the long term. As a core priority embedded in our ESG strategy, global health equity is an imperative for Johnson & Johnson and for our stakeholders.

Health equity is the absence of unfair, avoidable and remediable differences in health status among groups of people. Health equity is achieved when everyone can attain their full potential for health and well-being.²

Facts about health inequities:

18.1

people in low-income countries live 18.1 years less than people from high-income countries.³ **3**x

in the U.S., Black women are three times more likely to die from a pregnancyrelated cause.⁴ 66

We continue to expand our transformational medical innovation strategy to address additional diseases within our therapeutic areas, improve our early stage innovation capabilities and embrace advances in data science to drive effective, targeted and equitable solutions to diverse health needs. The COVID-19 pandemic demonstrated how rapidly the world can be disrupted by a major health crisis and how systemic inequities can adversely impact healthcare for all. However, COVID-19 also brought everyone at Johnson & Johnson together to harness our entire organization, knowledge, resources, and many longstanding and new partnerships to curb the pandemic through our COVID-19 vaccine and create a better, healthier future for all.

Jennifer Taubert

girls aged 15-19 in sub-

Saharan Africa contract

HIV at a rate three times

higher than boys the

same age.2

3x

Executive Vice President, Worldwide Chairman, Pharmaceuticals, Johnson & Johnson

90%

of the more than 1 billion people with a vision impairment worldwide, 90% live in low-and middle-income countries (LMICs).⁵



Advancing Public Health

We have a longstanding commitment to tackling the toughest health challenges facing underserved populations in the U.S. and all around the world. We innovate from the lab to the last mile of care and access, enabled by our dedicated Global Public Health (GPH) organization. As innovators, we are committed to pioneering and sustainably delivering meaningful and transformational products in areas where we believe we can make a profound difference. Working with global and local partners, we strive to ensure the critical solutions necessary are within reach of those who need them to save lives, cure patients and prevent disease.

The mission of our dedicated GPH organization is to develop relevant innovations that save lives, cure patients and prevent disease and make them available, affordable and accessible for the world's most vulnerable and underserved populations.

Our Health for Humanity 2025 Goals include multiple ambitions to advance public health by:

- creating access plans for endemic diseases;
- improving access to schizophrenia treatments;
- reducing the burden of obstetric fistula; and
- supporting frontline health workers.

Our work toward all these Goals will make a considerable __/_/• contribution to four SDGs:











These Goals are part of our broader aims to address public health that include improving access to HIV and TB treatments (see sections: HIV and Tuberculosis) and advancing healthcare for women (see section: Medical Safety).

Access

SASB HC-BP-240a.1, SASB HC-BP-240a.2

We continuously seek to enhance access to our innovative medicines, vaccines and medical technologies in all countries—especially for underserved populations in resource-limited settings within the U.S. and around the world. Specifically, we are active in expanding access to many of our treatments targeted to halt the spread of different diseases such as HIV, TB, Ebola and more—see section: Pandemics & Epidemics.

> As a signatory to the Business for Social Responsibility (BSR) Guiding Principles on Access to Healthcare, we collaborate broadly across our industry to improve access for patients around the world.

Achievements from 2021 in advancing broader access considerations are as follows:

Leading the global access ranking: The 2021 Access to Medicine Index (ATMI) was released in January 2021, and we are proud to again rank as one of the top three companies advancing access to medicines in low- and middle-income countries around the world. The recognition of our leadership in this independent evaluation is the result of a longstanding, deliberate strategy aimed at solving some of the most difficult global health challenges and advancing equitable access to care for everyone, everywhere. The ATMI evaluates the world's 20 largest pharmaceutical companies on their efforts to expand access to medicines. Each new Index raises the bar for the industry as the global health landscape changes and expectations for companies evolve.

Our new Guide to Expanded Access (EA): EA is a pathway that seriously ill patients may consider in discussion with their treating physicians when they have exhausted available treatment options and are not eligible for clinical trials. With varied requirements and processes in every country, there is a burden on patients seeking information about this potential treatment pathway while also dealing with a serious or life-threatening diagnosis. To help bridge the information gap, our Patient Strategies & Solutions team, part of our Global Medical Organization, published a Guide to Expanded Access. The guide was co-created with patients and advocates to provide an overview of EA in 28 European countries and Canada and is available on Janssen.com.

Johnson & Johnson products on the WHO List of Prequalified Medicinal Products

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

The WHO List of Prequalified Medicinal Products is designed to ensure that medicines supplied by procurement agencies meet acceptable standards of quality, safety and efficacy.

Johnson & Johnson products on the WHO List of Prequalified Vaccines

- Mvabea (MVA-BN-Filo [recombinant]) Ebola vaccine
- Zabdeno (Ad26.ZEBOV-GP [recombinant]) Ebola vaccine



Advancing Public Health | Access

Pricing transparency in the United States: In early 2022, we published our sixth annual Janssen U.S. Transparency Report, which highlights information related to our R&D investment, approach to pricing and patient support programs. Updates from this year's report include:

- The average net price decline of Janssen medicines in 2021 was (2.8%),* declining for the fifth year in a row.
- Janssen paid \$33.9 billion in rebates, discounts and fees in 2021, up 15.2% compared to 2020.*
- Nearly 55% of the list price of our medicines went to commercial insurers and others in the healthcare system as rebates, discounts and fees.*
- In 2021, Janssen CarePath provided access and affordability support to nearly 1.1 million patients.**

For our Positions on IP and Universal Health Coverage, please visit:

Patient Engagement

Active collaboration with patients and caregivers helps guide our decision making throughout the product lifecycle and accelerate patient-inspired innovation. We aim to incorporate patients' perspectives early in the developmen of medicines, medical devices and clinical trial protocols, and collaborate with patients to develop tailored solutions that empower them in managing their disease or condition.

Patient Engagement Research Councils (PERCs): Janssen Scientific Affairs maintains PERCs covering key disease areas. PERCs are a group of contracted individuals living with a condition of interest that our scientists can work with to quickly gather patient insights over time and thereby improve how we research. design studies and generate information. In 2021, we added the sixth PERC, covering multiple sclerosis (MS), with a goal of connecting with patients to better understand and integrate their needs and expectations into study development as they navigate their MS journey. The MS PERC consists of 12 racially and ethnically diverse MS patients from various parts of the U.S. We engaged this group to provide input to our new PONVO trial, a Phase 4, real-world observational study investigating fatigue in patients living with MS.

The PERC for the PONVO study enabled us to directly interact with patients before the trial started—to gain insights critical to making the clinical trial experience in PONVO more manageable and meaningful for participants. For example, we adjusted the frequency of data collection and the means of collection on the primary endpoint based on their feedback.

Allitia DiBernardo

Vice President, Global Medical Affairs, Neuroscience, Janssen Pharmaceutical Companies of Johnson & Johnson

Other PERCs actively engaging patients in 2021:

- atrial fibrillation:
- bladder cancer:
- peripheral arterial disease;
- pulmonary arterial hypertension (PAH); and
- venous thromboembolism.

Non-PERC patient engagement: Beyond our structured program for patient engagement, PERCs, we have experienced an increased demand for standalone market research projects that are driven by scientific objectives, where understanding patient experience is needed to inform internal research strategy. However, we aim to ensure all patient engagement is conducted ethically and consistently. To this end, we developed a set of Non-PERC Patient Engagement Guidelines by leveraging existing Market Research Operating Guidelines to drive standardization across therapeutic areas to integrate patient perspectives compliantly and efficiently into our work. In 2021, for example, the Non-PERC Patient Engagement Guidelines were used by our Medical Affairs team in research to understand drivers of patient satisfaction with TREMFYA (guselkumab) relative to other therapies for moderate to severe psoriasis. These insights informed internal decisions relating to the design of future longitudinal, prospective research.

Leveraging Al for improved adherence: Adherence is a significant factor in the efficacy of any treatment regimen. Faced with situations in which a high proportion of patients fail to fill their first prescription and even more fail to complete six months of therapy, colleagues at Johnson & Johnson concluded the development of an End-to-End Patient Engagement Program. The program is the first fully digital and Al-based patient journey management solution that provides real-time insights to activate patients and support prescribers. With this new tool, we expect to see adherence improvement and reduced delays in the patient journey.

Supporting clinical trial participants: MY TRIAL COMMUNITY is a web solution cocreated with patients that helps clinical trial participants feel informed, engaged, secure and better connected. It offers features and benefits to support trial participants, caregivers and even researchers, including:

- a dashboard explaining what participants can expect at each visit;
- access to trial-related data during and after the trial to support ongoing health management;
- individual clinical trial results; and
- the potential for continuous clinical trial improvement and education through patient feedback.

Advancing patient advocacy and education: In 2021, we continued our HEALTHEVOICES patient advocate conferences, bringing together online health advocates to learn, share and connect. Our SUPER HEALTHEVOICES LIVE! event was held over three days with 42 sessions, featuring contributions from nearly 70 of the most influential online health advocates across a broad spectrum of health communities and therapeutic areas. We also held our second series of HEALTHEVOICES for HCPs virtual events, to foster conversation among professionals in any area of healthcare practice and provide a platform for sharing insights and learning about new tools that better enable them to connect with patients online.



At Johnson & Johnson, we're using the power of digital and data to engage patients and customers more effectively to improve inclusive access, enhance patient experience and deliver better outcomes. Digital technology helps us personalize treatments and accelerate improvements in the standard of care, which is why we are actively integrating new technologies across our healthcare innovation.

Jim Swanson

Executive Vice President, Enterprise Chief Information Officer, Johnson & Johnson

^{*} Figures according to Janssen internal financial accounting.

^{**} Data are an approximate number of patients supported by Janssen CarePath provided by the program administrator

Advancing Public Health

R&D Innovation

GRI J&J21-9

Johnson & Johnson has a legacy of more than 130 years of impacting human health through scientific research and innovation. We pursue breakthroughs in science and technology in our own laboratories and through our powerful network of external scientists and entrepreneurs all over the world. We combine a strong internal focus on science and scientific insight, drug creation, drug development and strategic value building, with external complementary partnerships that have the greatest potential to fulfill our mission of improving human health.



Liesbeth M., Associate Scientist, studies diseases such as Alzheimer's and Parkinson's.

We advance innovation at Johnson & Johnson through:

- A differentiated research & development engine with excellence in specific areas of science and medicine, with a focus on data science as a key differentiator;
- Early innovation partnering teams, who seek and cultivate external innovation opportunities from around the world, aligned with Johnson & Johnson scientific and business priorities;
- Flexible, customized deals; partnership models; and collaborations facilitated by our regional innovation centers and global business development teams;
- Incubation space and mentorship for hundreds of startups through Johnson & Johnson Innovation—JLABS;
- Strategic venture capital through Johnson & Johnson Innovation— JJDC, Inc.; and
- Building a differentiated and fully integrated R&D data science team to help discover and develop transformational medicines and treatment solutions.

Celebrating Our Innovators

Across Johnson, we celebrate the achievements of our tens of thousands of scientists, researchers, engineers, designers and clinicians who are dedicated to driving innovation for the benefit of our patients and consumers. The Johnson Medal for Research and Development⁶ is the most prestigious award given for R&D excellence within our Company. Since 1960, 423 scientists and engineers from our three business segments have received this award, representing a proud legacy of innovation at Johnson & Johnson. The winning teams of 2021 included 26 innovators who delivered four breakthrough solutions:

COVID-19 vaccine

Building on learnings from the development of our Ebola vaccine as well as our HIV, Zika and RSV vaccine candidates, the team led an ambitious and unprecedented collaborative research and development effort to create a single-shot COVID-19 vaccine.

Diagnostic tool for atrial arrhythmia

The team developed Coherent Mapping, an advancement in 3D mapping technology that offers a solution to assist in the diagnosis of scar-related complex atrial arrhythmia. Multicenter study results overwhelmingly illustrate the value of Coherent Mapping, now part of the CARTO PRIME Module, for physicians as an integral part of mapping challenging arrhythmias.

Optimized treatment for multiple myeloma

The Janssen Oncology team modified the successful intravenous immunotherapy DARZALEX (daratumumab) to create DARZALEX FASPRO (daratumumab and hyaluronidase-fihj), a subcutaneous injection to transform the care of patients with multiple myeloma with a substantially shorter administration time of approximately three to five minutes compared to the DARZALEX IV formulation.

Novel peptide to deliver skincare benefits

Working over eight years, the team optimized a novel peptide, acetyl dipeptide, that is small enough to penetrate the skin and effectively deliver antiaging benefits such as lifting, contouring and firming for consumers, including those with sensitive skin.

Recognizing external public health innovation: In addition to recognizing the achievements of Johnson & Johnson innovators, in 2021, we granted a \$5 million endowment to Research! America to create an annual award to recognize individuals and organizations working to make a profound difference in public health. This new category of awards will be presented annually as part of the Research! America Advocacy Awards Program, now in its 26th year. Johnson & Johnson is a founding member of the Research! America alliance, which launched in 1989. This year's winners include leaders who are addressing major health challenges, from smoking cessation to diversity in clinical trials to fueling collaboration to advance solutions for COVID-19.

For more information about our innovation across Johnson & Johnson, please visit Innovation and Janssen Research & Development.

Data Science & Digital Health

Data science and digital health are fundamentally changing the face of healthcare. We are building a world class team that is fully integrated with all parts of R&D. We are assembling vast datasets into a data lab, and, in-house or with partners, developing advanced analytical methods including AI and machine learning, to analyze these data to solve problems that make our R&D teams more effective and efficient, and often enable earlier delivery of new possibilities.

We are increasingly leveraging data science and digital health to accelerate innovation at every step of the R&D process to generate insights that allow us to better understand the diseases we are tackling. For example, data science helps us determine which compounds show the most promise, bring the best molecules into clinical development and design, and execute clinical trials more effectively for exactly the right patients. One major impact of using data science-driven algorithms can be the earlier detection of disease in patients and determination of the most suitable medicines, especially for those with progressive diseases. Today, we have more than 100 data science and digital health projects, powering more than 90% of our development pipeline.

Examples of our progress in data science and digital health in 2021 included:

Generating unprecedented data to address multiple diseases: In January 2021, we became a Founding Industry Member of the Our Future Health consortium, which aims to collect one of the most comprehensive and most diverse datasets ever from 5 million volunteers in the UK. Johnson & Johnson and other pharma peers will be able to analyze this dataset to help fuel the early detection, prevention and treatment of a range of diseases with a higher-than-ever degree of precision.

In another project, progress was made by the UK Biobank, an exome sequencing data science initiative supported by a consortium of government, charity and industry members, including Johnson & Johnson. In 2021, the Whole Genome Sequencing (WGS) data for the first 200,000 UK Biobank participants (of a total 500,000) was made available to researchers to enable them to better understand the role of genetics for health outcomes and potentially advance drug discovery and development. The dataset will allow researchers globally to study the 98% of genetic code that is not protein-coded and previously had no known purpose.

Enhancing clinical trials: Data science is also enhancing the speed, efficiency and inclusiveness of our clinical trials. In the early stages of the COVID-19

pandemic, for example, we were able to gather comprehensive datasets and leverage advanced analytics to understand how COVID-19 was spreading worldwide, where it would likely peak next and where the potential for viral mutations would be highest. These predictions proved remarkably accurate and enabled us to place clinical trial sites in "hot spots" where participants would be more likely to have exposure to COVID-19—meaning we could more guickly determine the efficacy of vaccines. This helped reduce the vaccine development timeline while generating efficacy data across multiple COVID-19 variants of interest. This effort, undertaken with the Massachusetts Institute of Technology, was recognized with the 2021 Innovative Applications in Analytics Award from the Institute for Operations Research and the Management Sciences (INFORMS), regarding the creative and unique application of analytical techniques.

Finding early markers of disease: Speed is critical when it comes to identifying patients and providing the proper treatment, yet for many, rare and difficult-todetect diseases, diagnosis often comes late—or never at all. For example, for patients with PAH, the average time from onset of symptoms to diagnosis is two years, causing delay in treatment and a lower average five-year survival rate. Using the results of echocardiograms, we are applying AI, together with external collaborators, to help identify early markers of PAH to help change the lives of those living with the disease.

Enabling more targeted therapies: The use of data science helps us select the optimum therapy for individual patients. For example, we are using AI to analyze histopathology images from patients with bladder cancer to detect mutations that may make patients more likely to respond to new medicines and facilitate recruitment into clinical trials for potentially lifesaving therapies. We are also leveraging data science to help identify the most appropriate people for our Phase 3 trial for a vaccine to prevent certain E. coli infections, that are becoming increasingly resistant to commonly used antibiotics. We applied machine learning to real-world data (RWD) to better understand the patient population and are using this information to help inform the target profile for participants in our upcoming clinical trial.

Knowledge sharing within Johnson & Johnson: More than 1,900 Johnson & Johnson colleagues gathered for the third annual 2021 Johnson & Johnson Data Science & Intelligent Automation Showcases. This internal, three-day event highlighted transformational business accomplishments achieved across sectors and functions throughout the year, some of which are captured in this section. More than 300 colleagues globally shared more than 100 posters and 75 topicbased presentations corresponding to five themed tracks: R&D, Supply Chain, Commercial, Corporate Functions and End-to-End Integration. With our senior

executives, Johnson & Johnson Data Science Council leaders and external expert speakers, the event demonstrated the wide reach of digital technology and the impact of data science and intelligent automation efforts across our Company.



Our entire leadership is deeply committed to leveraging data science and intelligent automation to change the trajectory of human health. Sharing knowledge and achievements helps us further embed this transformational approach across multiple business functions. We're already seeing concrete impact across our pipeline, with much more to come.

Najat Khan, Ph.D.

Chief Data Science Officer and Global Head of Janssen R&D Strategy & Operations, and Johnson & Johnson Data Science Council Co-Chair



For more information about our advances in data science, please visit Janssen Research & Development.

See more about data science in MedTech in section: Innovation in Practice.

Innovation in Practice

Notable areas of progress in product innovation across our three business segments in 2021 include:

Our Pharmaceutical R&D organization operates at the intersection of unmet medical need and breakthroughs in science and technology. We work across a wide range of therapeutic areas and biological pathways to deliver profound impact, applying our expertise in small molecules, monoclonal antibodies, cell and gene therapies, RNA therapeutics, and vaccines. Overall, Johnson & Johnson has executed more than 40 acquisitions and licenses and more than 350 strategic partnerships in pursuit of the best science and solutions to healthcare needs.

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Our mission is to develop and deliver transformative medicines that positively impact patients worldwide. With a powerful future-facing innovation engine and disciplined R&D strategy, we think equally of science, unmet need and access—because even the best treatments can only help those they can reach.

Mathai Mammen, M.D., Ph.D. Executive Vice President, Pharmaceuticals, R&D, Johnson & Johnson

We progressed several pharmaceutical R&D innovations, advancing our aim of providing transformational medicines to patients, including:

New drug approvals:

• Cell therapy treatment for patients with multiple myeloma: We received FDA approval for CARVYKTI in early 2022, the first approved cell therapy for Janssen Pharmaceutical Companies of Johnson & Johnson (Janssen), for the treatment of adults with relapsed and/or refractory multiple myeloma, offering an innovative immunotherapy with the potential to delay disease progression.



Scientists at Janssen's/Legend Biotech's CAR-T lab in New Jersey prepare a patient's T cells to be genetically modified to recognize and fight the blood cancer multiple myeloma.

• First approved treatment for light chain (AL) amyloidosis: We received FDA approval for a DARZALEX FASPRO⁸ (daratumumab and hyaluronidase fihj)-based combination regimen for the treatment of patients with newly diagnosed AL amyloidosis, the first and only FDA-approved treatment for this rare blood disorder.

- Treatment for a rare form of lung cancer: We received FDA accelerated approval⁹ and conditional EMA marketing authorization for RYBREVANT (amivantamab), the first fully human, bispecific antibody approved for the treatment of patients with locally advanced or metastatic non-small cell lung cancer with a genetic mutation called epidermal growth factor receptor exon 20 insertion.
- First approved treatment in Canada for cardiopulmonary disease: Over the last two decades, our innovation has helped double the median survival time of pulmonary arterial hypertension (PAH)¹⁰ a rare, progressive disease. Our latest step in endothelin receptor antagonist treatment for PAH is a fixed-dose combination pill¹¹ that received approval in Canada in 2021. We are working to secure this treatment as an option for patients in other countries to reduce pill burden and improve adherence and outcomes for patients.
- Prevention and treatment of life-threatening blood clots in children: We received FDA approval for two pediatric indications for XARELTO (rivaroxaban) for the treatment of blood clots and reduction in the risk of recurrent blood clots. Clotting is a potentially serious problem in children, affecting approximately 58 per 10,000 of those hospitalized in the U.S., with rates increasing.12

Immunology research:

- Expanding research to include more than 20 immune-mediated diseases: We are translating immune insights into transformational treatments for patients across traditional disease area boundaries, broadening our focus from six anatomy-based diseases to more than 20 immune-mediated diseases.¹³ We are studying a full range of novel oral therapies and industry-first combination therapies that could potentially benefit millions of people who suffer from immune-mediated diseases.
- Investigational therapy for a rare neuroimmune disorder: In 2021, we announced the full results from the Phase 2 Vivacity-MG study of the investigational compound, nipocalimab (M281),14 in generalized myasthenia gravis (gMG)—a rare, chronic, autoimmune neuromuscular disease. Granted Orphan Drug Designation by the FDA for the treatment of gMG, we are also investigating nipocalimab for rare and autoantibody diseases that span both neuroscience and immunological diseases.

Clinical trials and vaccines:

- Investigating the next generation of oral anticoagulants: Janssen and Bristol Myers Squibb, two leaders in thrombosis prevention and treatment, are collaborating to develop and commercialize milvexian, a potentially first-in-class oral factor XIa (FXIa) inhibitor, with the goal of improving upon the benefit/risk profile of existing anticoagulants. The milvexian Phase 2 clinical trial program¹⁵ focuses on prevention of blood clots after total knee replacement surgery and secondary stroke prevention.
- Phase 3 trial for extraintestinal pathogenic E. coli (ExPEC)
 vaccine candidate: ExPEC is one of the leading pathogens in the
 <u>AMR</u> crisis. We initiated our Phase 3 E.mbrace study to evaluate
 the efficacy, safety and immunogenicity of a single injection of our
 investigational vaccine to prevent Invasive ExPEC Disease (IED),
 such as sepsis, caused by the nine most prevalent serotypes of
 ExPEC, in adults aged 60 years and older.
- Phase 3 trial for RSV vaccine candidate: We initiated a Phase
 3 trial to evaluate the efficacy, safety and immunogenicity of
 Janssen's investigational adult vaccine against lower respiratory
 tract disease caused by RSV. With no approved vaccine or broadly
 indicated antiviral available, millions of older adults around the
 world are at high risk of developing potentially life-threatening
 illness from RSV.

New research on gut microbiome impacts among diverse people: We entered into a collaboration with Persephone Biosciences, a JLABS @ San Diego and BLUE KNIGHT company, for the colorectal cancer arm of a research study evaluating the gut microbiome's impact on disease among people of diverse racial backgrounds.

MedTech Innovation

Johnson & Johnson MedTech (J&J MedTech) targets some of the world's most pressing healthcare challenges across surgery, orthopaedics, vision and interventional solutions to improve access and quality of care for millions of individuals.

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The pandemic has given us all a deeper appreciation of healthcare as an investment in human possibility rather than a burdensome expense to bear. It has also shown us how digitization in the healthcare industry can power a quantum leap forward in innovations that address unmet needs, elevate the standard of care and save lives.

Ashley McEvoy

Executive Vice President, Worldwide Chairman, MedTech, Johnson & Johnson

In 2021, we progressed MedTech innovations, including:

Elevating surgical skills using technology: J&J MedTech uses data science to generate deep insights and enable solutions powered by predictive analytics, machine learning and AI to elevate the skill set of surgeons all over the world. In 2021, we continued to scale our C-SATS platform, a cloud-based, AI-powered ecosystem of knowledge for surgeons that connects the operating room to the cloud where best practices and surgical techniques are gathered and analyzed. The platform represents insights from a network of more than 375 board-certified surgical experts to date and helps improve surgeons' ongoing learning.

Using digital solutions for enhanced imagery: The Visible Patient Planning

Solution is an innovative surgical planning tool that uses patients' medical imaging to create a roadmap for surgery by generating an interactive 3D model for vital organs. Pre-operative procedure planning with Visible Patient enhances the information available to the surgeon for real-time clinical decision making that can provide a clearer path for surgery. In 2021, we expanded the Visible Patient Planning Solution to more than 11 countries in EMEA.

Powering insights-driven care across the care continuum: The VELYS Digital Surgery platform provides a suite of tools and technologies to provide greater insights for real-time decision making; greater precision and consistency within the procedure; and an overall more personalized patient care experience before, during and after surgery. In 2021, we introduced the VELYS Robotic-Assisted Solution, a first-of-its-kind table-mounted solution, designed to simplify knee replacement surgery intraoperatively. The <u>FDA</u> granted 510(k) clearance for the VELYS Robotic-Assisted Solution, which is designed for use exclusively with our ATTUNE Total Knee System.

Leveraging robotics across surgery areas: J&J MedTech is pioneering a future of advanced robotics across several areas of surgery. For example, our MONARCH robotic bronchoscopy platform is making a meaningful impact on the diagnosis of lung conditions, particularly in patients with small and difficult-to-reach nodules. Following the FDA's granting of Breakthrough Device Designation for MONARCH-enabled NeuWave microwave ablation technology, we are continuing to develop this platform to help make advanced techniques more accessible for hospitals and extend physician capabilities with the precision of robotics. In 2021 alone, more than 7,000 procedures were performed using the MONARCH platform. More than 14,000 procedures were performed since 2019. In General Surgery, we are advancing development of OTTAVA, a robotic-assisted surgery system, which we believe has the potential to provide optimal surgical outcomes.

New possibilities for shoulder surgery: In 2021, we introduced the INHANCE Shoulder System, a first-to-market, fully integrated shoulder arthroplasty system. This is the first shoulder system to offer surgeons the ability to seamlessly transition from stemless to stemmed implants during surgical procedures based on real-time decisions that are informed by bone quality and other findings during the surgical procedure.

Maintaining training and skills: During 2021, in a continuing response to the mobility restrictions imposed by the COVID-19 pandemic, J&J MedTech maintained efforts to support <u>HCPs</u>, including surgeons, with training and learning platforms accessible without travel. Efforts included:

- J&J MedTech <u>Mobile Lab Tours</u> converted buses or trucks used as mobile training labs so HCPs can safely learn about our products and get a deeper understanding of how to use them.
- In partnership with OSSO VR, which has developed VR surgical training modules, J&J MedTech made VR headsets available to surgeons and academic medical centers throughout the world.
- We introduced a program for remote observation in the electrophysiology lab designed to simulate the learning experience of electrophysiologists using a videoconference platform. Web cameras mounted in the electrophysiology lab allow the observers to see all stages of the procedure while mapping images, intracardiac echo and diagnostic recordings are shared on the video screens.
- J&J MedTech partnered with Advances in Surgery and other industry associations to provide more than 1 million HCPs with online courses on COVID-19-related professional education ranging from PPE guidelines to ventilation best practices.

U.S. Mobile Lab Tours in 2021

The MONARCH Mobile Lab traveled to more than 20 U.S. cities educating physicians, surgeons and hospital executives on robotic-assisted bronchoscopy with hands-on experience with MONARCH.

The VELYS Robotic-Assisted Solution Mobile Experience completed a 21-week mobile lab tour across the U.S., offering hands-on and <u>VR</u>-based education to surgeons, operating room team members and hospital administrators.

The Ethicon Surgical Innovations Lab, a state-of-the-art, fully functional surgical lab on wheels, traveled to hospitals on a sixmonth, 70-stop tour across the U.S.

The Digital Technology Experience Spine Mobile Lab visited 16 cities across the U.S. to provide cutting-edge learning on navigational and robotic technologies.



MONARCH Mobile Lab traveling across the Rocky Mountains.

Consumer Health Innovation

Johnson & Johnson Consumer Health advances personal health for consumers every day with products that are rooted in science and endorsed by professionals. We combine the power of science with human insights to deliver naturally inspired health and wellness products, high-performance products for healthy skin and everyday products that deliver effective outcomes for healthier consumers at every stage of life.

Innovations in our Consumer Health products in 2021 include:

Bandages in more skin tones:

BAND-AID® Brand Adhesive Bandages launched OURTONE, a collection of BAND-AID® Brand Adhesive Bandages, designed to blend with a variety of brown skin tones, for more inclusive wound care that embraces the beauty of diverse skin tones. To develop the OURTONE range, we listened to consumers, partners and



employees to deliver wound care solutions that better reflect the communities we serve. For OURTONE packaging development, we worked with company partners, including Hero Collective—a Black-owned agency committed to creative projects that amplify Black and Brown voices.

More options for acne sufferers: Our new NEUTROGENA Stubborn Blackheads Serum, available to consumers with no need for a prescription, is an acne serum with dermatologist-grade ingredients that visibly clears blackheads while shrinking the appearance of pores, providing visible benefits to those suffering from acne, including improvement in texture, blotchiness and post-acne marks. The serum, made with a unique blend of scientifically proven acids, is strong enough to be effective for mild to moderate acne sufferers and gentle enough for daily use.

A stronger option for cold + flu relief: TYLENOL launched two extra-strength formulas for day and night treatment to provide relief from painful cold and flu symptoms, including congestion, cough, headache and fever. Both products are the strongest TYLENOL formulas available without a prescription, allowing for expanded access to pain relief for adults and children aged 12 and older experiencing multisymptom colds.

Innovation Through Collaboration

Across all our business segments, we advance product innovation, leveraging our extensive expertise, experience and resources as well as multiple external collaborations and partnerships across the world. Through our global innovation network, we connect life science and health technology innovators with the breadth and depth of offerings that are unique to Johnson & Johnson.

We believe a great idea can come from anywhere. Through our Johnson & Johnson Innovation organization, we aim to find and cultivate the world's most promising, early stage healthcare innovation, wherever it originates.

Working side by side with innovators throughout their journey, we offer a robust exchange of ideas and resources to help cultivate and shape their innovations and support their success. From identifying and facilitating potential collaborations to offering incubation and investment in promising healthcare solutions, we are committed to helping entrepreneurs who share our bold purpose to improve people's lives around the world.



By connecting the best science, technology and entrepreneurs to our resources, tools and expertise, we aim to generate transformational healthcare solutions that address the toughest healthcare challenges and improve the lives of patients and consumers around the world.

William N. Hait, M.D., Ph.D.

Executive Vice President, Chief External Innovation, Medical Safety and Global Public Health Officer, Johnson & Johnson Examples of how we invested, partnered, collaborated and shared resources across our global innovation network in 2021 include:

Investing in promising therapies and companies: Through <u>JJDC</u>, our corporate venture fund, we make strategic equity investments in life sciences innovations. For example, in 2021, DePuy Synthes acquired OrthoSpin Ltd. OrthoSpin has developed a disruptive technology for treating orthopaedic external fixation patients, integrating software that automates the process to enhance the patient experience and potentially reduce the risk of negative clinical outcomes.

JLABS global network of health sciences incubators: JLABS sites across the globe help life sciences startups take their breakthrough ideas from concept to commercialization. Since the founding of JLABS in 2012 and through the end of 2021, more than 790 JLABS companies—45 now publicly traded and 37 acquired—have raised nearly \$60 billion in financing and strategic relationships. More than 220 companies have formed at least one deal, collaboration or partnership with Johnson & Johnson. With diversity, equity and inclusion (DEI) at the core of our JLABS mission and culture, the JLABS current portfolio includes 32% female-led and 30% minority-led companies.¹⁷

Crowdsourcing to drive innovation: Johnson & Johnson Innovation's QuickFire Challenges are crowdsourcing competitions committed to identifying and cultivating potential health solutions from innovators whose work aims to change the trajectory of healthcare. In 2021, 16 new QuickFire Challenges were launched and six Challenges from 2020 were completed. Of the innovative solutions recognized in 2021, 14 aimed to solve unmet medical need for populations that have been historically marginalized, and of those awarded funding, 39% were women-led teams, and 24% were teams led by people of color. As part of these QuickFire Challenges, we also launched two first-ever innovation challenges that could benefit the military community, recognizing that many post-active-duty veterans disproportionately face health issues compared to other Americans.



Creating flexible collaborations, deals and investments: Through our Innovation Centers located in life science hot spots around the world, we collaborate and partner with external innovators at the early stages of development—including startups, academics, entrepreneurs and biotech leaders. Since 2013, Johnson & Johnson Innovation has identified, shaped or facilitated more than 1,000 collaborations, including the following recent examples:

- An agreement between Janssen R&D and the National Cancer Center Japan to
 profile miRNA biomarkers and understand their role in early stage lung cancer
 and tumor formation. Through the collaboration, the groups will be able to assess
 results from an East-Asian cohort, which offers the opportunity to bridge the data
 between Western and East Asian populations, accelerating identification of robust
 biomarkers and facilitating discovery of new treatment targets.
- Janssen Pharmaceuticals' acquisition of Anakuria Therapeutics, a company focused on mTORC1 inhibitors, provides Janssen Pharmaceuticals with a potential first-inclass opportunity to explore solutions for autosomal dominant polycystic kidney disease, a commonly inherited disorder that causes the kidneys to enlarge and lose function over time.
- A collaboration between Janssen Oncology and Mersana Therapeutics to enable the development of up to three novel antibody-drug conjugates targeting cancers in areas of high unmet medical need.
- An agreement between Janssen Pharmaceuticals and biotechnology company
 Cidara Therapeutics, one of the JLABS alumni companies, to develop and
 commercialize drug-Fc conjugates for the prevention of seasonal and pandemic
 influenza. This collaboration could transform the standard of care for patients facing
 serious viral infections.
- An innovation developed with Johnson & Johnson Consumer Health and CellScope
 to launch SMARTCHECK from Children's TYLENOL, a digital ear scope that
 attaches to a smartphone to enable sharing of recordings of a child's eardrum
 to help provide a remote diagnosis, including a potential ear infection. In 2019,
 Johnson & Johnson Innovation acquired the rights to the CellScope smartphone
 otoscope technology and worked with Consumer Health to bring this innovation to
 parents and families.

Advancing Public Health

Global Surgery

As part of the world's largest and most broadly based healthcare company, J&J MedTech is transforming the future of medical intervention and pioneering the next frontier of patient care. By tackling some of the world's most pressing healthcare challenges across surgery, orthopaedics, vision and interventional solutions, we work to save lives and ignite all that's possible in every body.

Through our Ethicon franchise, we deliver surgical technologies, including advanced digital solutions and robotics. At DePuy Synthes, we maintain one of the most comprehensive orthopaedics portfolios in the world that helps heal and restore movement for the millions of patients we serve, including joint reconstruction and other specialties. Additionally, our Cardiovascular, Stroke and Specialty Solutions business provides healthcare providers with tools for neurovascular care; heart rhythm disorders; ear, nose and throat treatment; and breast reconstruction. Through Johnson & Johnson Vision, we continue to deliver innovation from specialty contact lenses that correct vision and also adapt to changing light conditions or include an antihistamine to help relieve allergic eye itch to intraocular lenses that deliver the widest range of continuous vision for cataracts surgery patients (see section: Vision).

J&J MedTech is committed to elevating the standard of care in surgery by bringing insights, scale, ingenuity and new technologies to meet the needs of more people in underserved communities around the world, using our global surgery capabilities to address healthcare inequities, expand patient access, improve outcomes and reduce health system costs.

State of Global Surgery¹⁸

5 billion

people do not have access to safe, affordable surgical and anesthesia care when needed.

9 out of 10

people in low-income and lower-middle-income countries cannot access basic surgical care.

313 million

surgical procedures are undertaken worldwide each year; only 6% occur in the poorest countries, where more than one-third of the world's population lives.

Johnson & Johnson has also supported the treatment of obstetric fistula since we first donated sutures in the 1980s and we have continued to donate sutures to health centers and hospitals in Africa for obstetric fistula repair surgeries for many years. Recognizing the continued unmet need for high-quality surgical care, we created a dedicated Global Surgery team as part of our GPH organization to deliver transformational impact for those suffering with obstetric fistula in sub-Saharan Africa.

We have included an important ambition as part of our Health for Humanity 2025 Goals—to help reduce the number of women suffering from obstetric fistula.¹⁹

Health for Humanity 2025 Goals | Global Health Equity









Progress: Supported delivery of 3,200 fistula

→ On track

Reduce Burden of **Obstetric Fistula**

repair surgeries. Piloted new surgical instruments in Sierra Leone

to increase patient comfort, maximize surgeon visibility and improve safety for the patient and surgeon.

About obstetric fistula

It is estimated that more than 2 million young women live with untreated obstetric fistula in Asia and sub-Saharan Africa. Obstetric fistula is an abnormal opening between a woman's genital tract and her urinary tract or rectum and is directly linked to one of the major causes of maternal mortality: obstructed labor. Obstetric fistula is preventable with improved practices and treatable with timely access to surgical care. Preventing and managing obstetric fistula contribute to the SDG 3 of improving maternal health.²⁰

23

Advancing Public Health | Global Surgery

Additional examples of efforts made to reduce the burden of obstetric fistula in 2021 include:

Support in Kenya and Tanzania: We supported obstetric fistula procedures and donated surgical products in Kenya (the Fistula Foundation Treatment Network) and in Tanzania (the Changing Lives, Changing Communities Comprehensive Community Based Rehabilitation Hospital and The Mabinti Centre, both in Dar es Salaam). As a manufacturer of the specialist suture that allows for accurate repair of obstetric fistula, we aimed to ensure continuity of supply of sutures to rural areas, allowing obstetric fistula repairs to continue, even during the COVID-19 pandemic.

Trialing new surgical instruments in Sierra Leone: In 2021, we trialed new surgical instruments for obstetric fistula at the Freedom from Fistula Hospital in Sierra Leone, treating patients with new fistula scissors and a suture/catheter organizer. These improvements aim to provide high-quality instrumentation to increase patient comfort, maximize surgeon visibility, and improve safety for both the patient and the surgeon. By reducing cost and surgery time, the goal is to develop a sustainable sourcing model in resource-limited settings. This development was progressed in collaboration with Dr. Rachel Pope, Assistant Professor, Urology Institute, University Hospitals Cleveland Medical Center, as part of our initiative to develop or improve three surgical instruments used during fistula surgery. Having received positive feedback from surgeons, the new instruments are planned for use in Kenya in 2022.



Dr. Rachel Pope performs an obstetric fistula repair surgery using new instruments at the Freedom from Fistula Hospital in Sierra Leone.

Obstetric fistula education for surgeons and other <u>HCPs</u>:

In March 2021, we partnered with Medical & Surgical Skills Institute (MSSI) to provide a two-day obstetric fistula panel, attended by 500 medical professionals from across sub-Saharan Africa, including obstetric fistula surgeons, physicians, nurses, midwives and medical officers. This interactive virtual event was the first time a world-class panel of experts had been pulled together to address key aspects of fistula prevention, repair and rehabilitation in Ghana.

The MSSI in Accra, Ghana, was established in 2005 by Johnson & Johnson and other partners, including the West Africa College of Surgeons, and has become a center of excellence for advanced healthcare training in West Africa, providing hands-on medical and surgical skills training in advanced trauma, including childbirth injuries.

Mental Healthcare

SASB HC-BP-240a.1

Over the last half century, we have developed many innovative treatments for conditions impacting the brain and central nervous system. Building on this legacy, we are expanding access to mental healthcare for the world's most vulnerable and underserved populations. In addition to our large-scale clinical study (see below), we continue to support programs that empower frontline health workers to manage mental illness.

Health for Humanity 2025 Goals | Global Health Equity











Access to Schizophrenia Treatment

→ On track

Progress: Initiated the CASPAR study assessing the treatment of schizophrenia with paliperidone palmitate <u>LAI</u> in Rwandan healthcare settings.

Achieved first patient enrolled, with 11 patients enrolled by the end of 2021 and additional patient enrollment underway.

Completed clinical research trainings for site investigators, helping to provide local capacity building in Rwanda.

To address the urgent need for mental health understanding and services in Rwanda, in 2018, Johnson & Johnson's <u>GPH</u> organization partnered with the Rwanda Ministry of Health to develop a framework for quality, accessible mental healthcare. Over the past three years, the partnership has trained thousands of community health workers on the signs and symptoms of mental illness; conducted the first National Mental Health Survey in Rwanda; and has made second-generation antipsychotics available, including oral risperidone and paliperiodone palmitate long-acting injectables (PPLAI).

Advancing Public Health | Mental Healthcare

Facts about Mental Health

Mental, neurological and substance use disorders account for more than 10% of the global disease prevalence.²¹ In low- and middleincome countries, more than 75% of people with mental disorders receive no treatment at all for their disorder.²²

Schizophrenia is manifested as psychosis

and is associated with considerable disability that may affect all areas of life. More than two out of three people with psychosis in the world do not receive specialist mental healthcare.²⁵



Johnson & Johnson is collaborating with the Government of Rwanda to help improve access to care for those suffering from mental illness in the country. Photo by Devex/Will Swanson.

First interventional clinical study of schizophrenia in Africa: Building on this momentum, in 2021, we commenced our Clinical Study to Assess the Treatment of Schizophrenia with Paliperidone Palmitate in Rwandan Healthcare Settings (CASPAR), the first interventional clinical trial for schizophrenia in Africa. The study is assessing the impact of the PPLAI antipsychotic treatment in patients with schizophrenia in real-world healthcare settings.

Beyond the data to be generated, the study is also helping strengthen critical research capacity in resource-limited settings by providing local Rwandan clinical staff with valuable training related to the conduct of mental health research and Good Clinical Practice (GCP). Our efforts included a dedicated training program for local staff, developed and delivered with the help of the European Centre for Clinical Research Training. The launch of the CASPAR study represents the latest step in our commitment to generate evidence that will inform adoption of PPLAI as a treatment option for schizophrenia.

Supporting mental health workers: As part of our strategic collaboration with the Ministry of Health of Rwanda, we co-developed a unique, phone-based mental health training program on the signs and symptoms and referral process for common mental health disorders for more than 50,000 community health workers in Rwanda. Implementation of this study was found to be feasible and acceptable as a training platform in a new study published in Frontiers in Public Health. The training program results support the expanded usage in LMICs.

Milestones in schizophrenia treatment

In 2021, we achieved three regulatory milestones in our treatment for schizophrenia:

- FDA approval of INVEGA HAFYERA (six-month paliperidone palmitate), the first and only twice-yearly treatment for adults with schizophrenia, offering patients the fewest doses per year for a life less defined by schizophrenia medication;
- European Commission approval of BYANNLI (six-month paliperidone palmitate, trade name INVEGA HAYFERA in the U.S.) for the maintenance treatment of schizophrenia in adults; and
- the addition of once-monthly paliperidone palmitate INVEGA SUSTENNA/XEPLION LAI treatment for adults living with schizophrenia to the <u>WHO</u> Model List of Essential Medicines (EML).

Advancing a digital mental health solution in China: Our agreement with the digital health and data analytics company, Holmusk, to explore the development of a digital mental health strategy in China, yielded initial results in 2021 with the granting of regulatory approval for mConnect, a patient-centric digital health solution for major depressive disorder. We worked with Holmusk to localize the

app, and in November 2021, it made its debut in the Apple store for download and use by patients and clinicians. Use of the app will support targeted management of wellness-oriented consumers as well as mental health patients.

Additional initiatives we progressed in 2021 to help improve life for people with mental illness included:

- Johnson & Johnson contributed to the mid-2021 publication of the UK's <u>Life Sciences Vision</u>, providing expertise in relation to mental health and dementia as well as other health challenges.
- We maintained our support for the World Dementia Council and co-led a workshop on dementia prevention and care in 2021.
- We continued our funding support for and collaboration with the
 Healthy Brains Global Initiative (HBGI)
 and co-chairmanship of the
 Use of Proceeds working group by Dr. Husseini Manji, Global Head,
 Johnson & Johnson Science for Minds. HBGI was established in 2020
 as a nonprofit aiming to mobilize \$10 billion for brain health research
 to benefit people living with neurological and mental health disorders.
- We are closely involved with the <u>NIH Novel and Exceptional</u>
 <u>Technology and Research Advisory Committee (NExTRAC)</u>, which
 helps shape new initiatives focused on data science and emerging
 technologies. Johnson & Johnson's Dr. Husseini Manji was appointed
 to NExTRAC in 2021.



As a member of NExTRAC, I am involved in defining and characterizing the kinds of research that will require gathering data about individuals using emerging technologies, considering both the benefits and risks. These insights will help define future initiatives, informed by stakeholder input, to ensure that data science progresses in a responsible manner and respects the privacy of individuals.

Husseini Manji, M.D., FRCPC

Global Head, Johnson & Johnson Science for Minds

Advancing Public Health

Vision

Johnson & Johnson Vision aims to help people see better, connect better, live better. We activate and advance innovations to protect, treat, cure and support every person's lifelong journey of healthy sight. Across the world, we collaborate to expand access to quality eye care in communities with the greatest need.

Facts about eye health²⁴

By 2050, 4.8 billion people (half of the world's population) are projected to be myopic. Cataracts are the main cause of preventable blindness worldwide, affecting 100 million eyes.



Globally, at least 2.2 billion people have a vision impairment,

and of these, at least 1 billion people have a vision impairment that could have been prevented or is yet to be addressed.

Johnson & Johnson Vision continues to deliver new vision solutions from specialty lenses to innovative surgical equipment for the most advanced vision procedures. The shift to digital platforms has created a rapid increase in vision demands. To meet these needs, Johnson & Johnson Vision developed its most advanced intraocular lens (IOL) using its TECNIS platform, a proprietary combination of materials and design for IOLs that was pioneered 20 years ago. The TECNIS SYNERGY is a presbyopia-correcting IOL that combines the best of extended depth-of-focus and multifocal technologies to deliver the widest

range of continuous vision without the visual gaps caused by existing multifocal technology. For example, ACUVUE THERAVISION with Ketotifen contact lenses, which were approved and launched in Canada and Japan in 2021, and in the U.S. in 2022, are the world's first and only drug-releasing contact lenses for vision correction and allergic eye itch. For cataracts, we have developed the broadest global portfolio of intraocular lenses to offer patients continued freedom from wearing glasses.



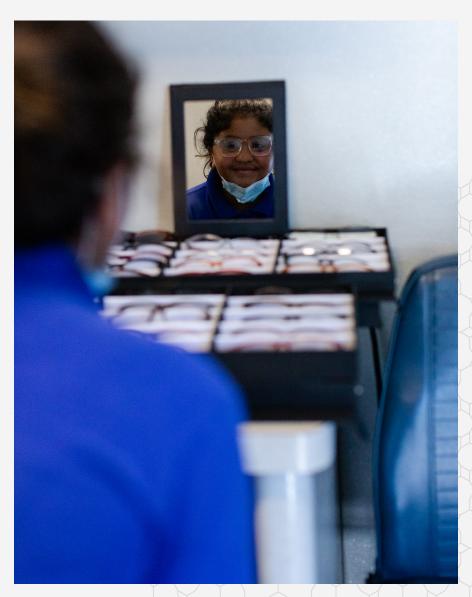
At Johnson & Johnson Vision, we have a bold ambition to redefine healthy sight for life. People value sight above all other senses—it's how we learn and how we connect. Yet, two billion people right now are living with vision impairment—more than half of which could have been prevented or has yet to be treated. This is what motivates our teams around the world every day. Together, we're protecting sight, optimizing sight, restoring sight.

Peter Menziuso

Company Group Chairman, Johnson & Johnson Vision

Beyond product innovation (see section: <u>Innovation in</u> <u>Practice</u>), examples of our activities to advance eye health and care in 2021 included:

Contact lenses for managing myopia: In 2021, the FDA approved ACUVUE ABILITI Overnight Therapeutic Lenses, the first and only FDA-approved orthokeratology contact lens for managing myopia. The approval is the result of a collaboration between Johnson & Johnson Vision and Menicon and represents a breakthrough in helping patients and eye care professionals address the progression of myopia.



Sight For Kids screening event in Miami, FL at the Theodore R. and Thelma A. Gibson Charter School. Photo by LCIF.

Advancing Public Health | Vision

New integrated eye health ecosystem in Singapore: In line with Singapore's Smart Nation initiative, Johnson & Johnson Vision established a three-year roadmap of initiatives designed to establish Singapore as the regional hub for eye health innovation, supported by our expected investment of SGD 10 million over three years. Rooted in a new, integrated eye health ecosystem, our efforts will support the delivery of a new standard of eye care by improving access, capacity and personalization of patient care. Further, with a focus on data and digitalization, this initiative aims to foster up to 40 local eye care professionals in leadership positions with the support of the Singapore Economic Development Board.



EDB supports Johnson & Johnson Vision's commitment to pioneer an integrated eye health ecosystem and elevate the standard of care for eye health. This project provides exciting job opportunities in Singapore for digital talent and reinforces Singapore's position as a leading innovation hub for digital health.

Ms Goh Wan Yee

Senior Vice President and Head, Healthcare, Economic Development Board

Ecosystem's Key Initiatives







Addressing unmet needs in cataract surgery: We expanded the availability of our next-generation cataract surgery globally, offering more surgeons, patients and healthcare systems around the world the possibility of better health outcomes. The VERITAS Vision System is an advanced phacoemulsification (phaco) system designed to address three critical areas of cataract surgery: patient safety, surgeon efficiency and comfort. Phacoemulsification is the most common cataract surgery technique²⁵ and allows surgeons to effectively emulsify and efficiently remove the eye's internal lens when it has become cloudy from cataracts. The equipment that surgeons can rely on in performing the procedure is critical to optimizing the circumstances for surgical success.

Working with global partners to improve eye care access and quality: Longstanding strategic partners that we engage with to advance our mission to change the trajectory of eye health include:

• HCP Cure Blindness: Dedicated to reaching the most unreachable patients, HCP Cure Blindness envisions a world in which no person is needlessly blind. The organization cultivates the growth of local, sustainable eye care systems and outreach events to ensure access for all to high-quality, cost-effective care in underserved areas of the world. Johnson & Johnson Vision supports its efforts to bring life-changing care to more than 20 countries across South Asia and sub-Saharan Africa. In June 2021, in honor of World Cataract Day, Johnson & Johnson Vision teams led a company-wide campaign to raise awareness and funds for HCP Cure Blindness to help reach more people affected by blindness and lack of access to care.



Dr. Reeta Gurung, CEO of the Tilganga Institute of Ophthalmology, at HCP's surgical outreach in Eritrea. Photo by Chris Briscoe.

• Sight for Kids (SFK): Since 2002, Lions Clubs International Foundation has collaborated with Johnson & Johnson Vision to implement the largest-known, school-based eye health program, SFK. This innovative program mobilizes eye care professionals and volunteers to provide comprehensive eye health services to students in low-income schools across North America, Asia and Africa. In 2021, SFK was expanded to the U.S., in collaboration with the Florida Heiken Children's Vision program (a division of Miami Lighthouse for the Blind and Visually Impaired), to bring comprehensive eye health services and treatments to approximately 20,000 South Florida students experiencing inequities in access to eye health care.²⁶ In addition to pro bono eye exams and eyeglasses provided in compliance with COVID-19 safety guidance from the CDC and the American Optometric Association, program participants will also receive educational eye health materials, available in four languages to meet the needs of these diverse communities.



Learn more about social responsibility at <u>Johnson & Johnson Vision</u>

Advancing Public Health

Consumer Health

SASB CG-HP-410a.1, CG-HP-410a.2

In 2020, Johnson & Johnson Consumer Health launched our Healthy Lives Mission—a 10-year ambition to improve human health while also protecting the planet.

As part of our Healthy Lives Mission, we are:

- fighting preventable diseases through smoking cessation programs and skin cancer prevention partnerships;
- improving product transparency to help our consumers make more informed choices about personal health products; and
- reducing our environmental impact by using more recycled materials in our packaging, ensuring our packaging is easy to recycle or reuse and powering our operations with renewable electricity.

We have committed to invest \$800 million by 2030 to fulfill our Healthy Lives Mission.

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Johnson & Johnson Consumer Health is on a mission to provide healthy lives for all. This sense of purpose energizes and drives our employees to make a meaningful impact on consumers around the world. From raising awareness and increasing education on some of the world's most important health challenges to offering better packaging for our environment and being more transparent about what's in our products, we all come together every day to make a difference.

Thibaut Mongon

Executive Vice President and Worldwide Chairman, Consumer Health, Johnson & Johnson; CEO Designate, The Planned New Consumer Health Company

Progress in delivering our Healthy Lives Mission in 2021 included:

Skin cancer prevention: We created In the Sun, Neutrogena Studios' first-ever documentary film to elevate awareness and understanding of skin cancer for all skin types and colors. Skin cancer rates, including rates of melanoma, have continued to increase in the U.S. and worldwide.²⁷ Practicing sun safe habits, such as seeking shade, wearing protective clothing and increasing use of sunscreen, can help reduce this trend and help consumers live life safely and vibrantly in the sun. To raise awareness across a wide population, NEUTROGENA founded "Neutrogena Studios" and partnered with Executive Producer Kerry Washington to produce an inspiring, unbranded documentary that shares the skin health journeys of seven families facing extraordinary circumstances as they uncover the long-term effects of living in the sun. The response to the documentary has been beyond expectation: In the Sun was included as an Official Selection of 16 film festivals and named the "Best Environmental Documentary" at the 2021 Seattle Film Festival. More than 8.2 million people have viewed the documentary, in addition to 125,000 school students who participated in in-school learning programs across the U.S. Feedback indicates that many viewers are likely to wear sunscreen consistently and/or do a skin self-exam as a result. NEUTROGENA also engaged in a first-of-its-kind collaboration to use the documentary to train thousands of Walgreens beauty advisors on skin cancer prevention.



Monique Mack (left) shares her journey as a child, how her mom, Aurelia Mack (right), helped her through it all and why it motivates both of them to keep their family safe. Photo by Neutrogena Studios.

Smoking cessation programs: In 2021, we increased our support for smoking cessation during the COVID-19 pandemic by extending our partnership with the WHO through the Access Initiative for Quitting Tobacco. Following our 2020 partnership in Jordan to support 5,400 smokers to quit, in 2021, we advanced a further partnership in the Philippines to support an additional 4,500 smokers. As part of these partnerships, we have donated more than \$1.5 million worth of NICORETTE patches.



A healthcare professional in Jordan helping her patient to quit smoking, with support from the WHO's Access Initiative for Quitting Tobacco. Photo by WHO/Jordan, Tobacco cessation services in a Primary Health Care center in Amman, Jordan.

Improving product transparency: In September 2021, JOHNSON'S Baby launched our first-ever consumer-facing product transparency dashboard with product-specific ingredient and environmental information for the brand's 10 highest impact products in the U.S. market. Johnson & Johnson Consumer Health developed and launched the dashboard to help consumers make more informed choices about personal care products after conducting extensive qualitative research to better understand their unique expectations of the brand and engaging consumers to co-create the tool with us through a real-time design process. This milestone will pave the way for our other Consumer Health brands to implement product transparency in a way that is simple and compelling for consumers. Building on this successful first initiative, we have a strong foundation to scale product transparency in 2022 to more brands and markets around the world.

Advancing Public Health | Consumer Health



We couldn't be more excited to pilot this new tool on JOHNSON'S. Consumers have told us how important product transparency is to them, but it can be difficult to navigate the sea of information that is out there. This is a simple, visual, one-stop shop for product-level detail. I wish something like this had been available when my own kids were babies and I was researching products for them. It would have made things so much easier!

Karen Marchetti

Marketing Director of Global Baby Care, Johnson & Johnson Consumer Health

Increasing our use of sustainable packaging: We are advancing our Healthy Lives Mission by taking important steps to reduce the environmental impact of our personal care product packaging—using less virgin plastic, using more recycled materials and ensuring our packaging is easier to recycle or reuse.

As a signatory to the Ellen MacArthur Foundation's **New Plastics Economy Global Commitment**, we declared a commitment that by 2025, we will reduce our total annual use of virgin plastics in packaging weight by 25% compared to 2020. This goal will be achieved through a combination of increased use of recycled plastic, plastic packaging reductions (elimination, substitution, etc.) and more reuse/refill models.

Consumer Health sustainable packaging targets

- Eliminate 100% of polystyrene jars and black plastic bottles from our global portfolio in 2022.
- Use 100% recyclable, reusable or compostable plastic packaging by 2025.
- Use 100% certified or post-consumer recycled paper and pulp-based packaging by 2025.
- Reduce our total annual use of virgin plastics in packaging weight by 25% compared to 2020, achieved through a combination of recycled plastic, plastic packaging reductions and more reuse models.

In 2021, several of our Consumer Health brands pioneered the use of new packaging materials and sustainable formats, including:

- LISTERINE launched new recyclable mouthwash bottles made with up to 50% recycled plastic; introduced CLEANFLAKE technology, which ensures labels separate cleanly from bottles during the recycling process, leaving no residue on the recycled plastic flakes so they can be used again and again; and introduced a clear cap, first in Europe, to signal full recyclability to consumers.
- JOHNSON'S Baby removed more than 30 million impossible-to-recycle pumps from many lotion and wash products and received the brand's first UL EcoLogo certifications for six products in the U.S.
- LE PETIT MARSEILLAIS launched its first organic certified shower gel in a recyclable and refillable bottle and launched waterless biodegradable solid cleaners for hair, body and face that are free of plastic packaging.
- NEUTROGENA launched the brand's first plant-based, home-compostable cleansing wipe that biodegrades aerobically in approximately 35 days in a home compost.
- **o.b.** eliminated millions of leaflets and tons of paper from its packaging by printing information on the inside of the cardboard box.

Beyond these brand initiatives, Consumer Health collaborates with industry peers, NGOs and suppliers to exchange knowledge and co-create packaging innovation. Some of our partnerships include:

- The EcoBeautyScore Consortium, an industry-led collaboration to help consumers understand the environmental impact of cosmetic and personal care products. The consortium, initiated by L'Oréal, Henkel, Unilever and Natura & Co., will develop and pilot a global environmental impact scoring system by the end of 2022. The pilot will involve selected products in Europe and will include both a common environmental footprint assessment system and standardized consumer-friendly communications to inform consumer purchasing decisions.
- The Consumer Goods Forum's Plastics Waste Coalition of Action (PWCoA),
 a group of food and personal care companies committed to using less plastic,
 better plastic, and supporting effective reuse and recycling systems. We
 helped develop and endorse new global industry Golden Design Rules for more
 sustainable packaging.
- In North America and Europe, we are advancing plastic tube recycling through industry collaborations with partners like STINA that help to advance plastic tube design, collection and segregation.
- The Closed Loop Infrastructure Fund for an additional five years to continue
 to build the recycling infrastructure in North America and spur technological
 innovation toward a more circular economy.
- The Recycling Partnership's Film & Flexibles Coalition, an industry-wide collaborative to identify ways to collect more flexible packaging in the U.S.
- A*STAR Institute of Materials Research and Engineering Circular Materials
 Lab, a collaboration to identify circular flexible film packaging solutions.

Our Healthy Lives Mission guides our Consumer Health brands to take action to advance health—for people at every stage of life, for communities around the world and for our planet. By taking concrete action to design more sustainable products and packaging, not only do we provide consumers with personal health solutions that meet their evolving expectations, but we live into our commitment to operate increasingly more sustainably and significantly reduce the planetary impact of our operations and our products.



Advancing Public Health

Our Race to Health Equity

In the first year since the launch of Our Race to Health Equity (ORTHE) platform, a \$100 million five-year U.S. commitment to help eradicate racial and social injustice as a public health threat by eliminating health inequities for people of color, we have been working to create meaningful change through three priority areas:28

- 1. Creating a people-first culture: We are committed to cultivating a diverse and inclusive workforce and achieving ambitious goals to increase ethnic/racial diversity across our organization, including at management levels (see section: Our Employees). To support these goals, we have strengthened partnerships with Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs), among others.
- 2. Building healthier communities: We are committed to closing the racial health gap by investing in culturally competent community care models that create healthy outcomes for people of color. Working with various partners, we aim to help build trust between minority communities and health systems, backed by our commitment to supporting 200,000 HCPs and researchers by 2025.

In 2021, 159,000 U.S. healthcare professionals and researchers were provided development and support.

In 2021, we supported 11 health clinics as part of the National Association of Community Health Center's Workforce Development Grant Program and partnered with the Foundation of the National Student Nurses' Association to increase nursing scholarships for underrepresented groups. We further supported 27 partner organizations and projects focusing on community health workers and health centers that serve people of color. We also created a six-episode video series, hosted by Michael Sneed, now retired Executive Vice President

Global Corporate Affairs and Chief Communications Officer, Johnson & Johnson, featuring conversations with Black doctors and nurses on the front lines of health equity across the U.S.

Health Equity Innovation Challenge:

In 2021, entrepreneurs, innovators, startups and communitybased organizations were invited to submit their ideas for transformational innovation to advance health equity in six cities where Black and Latinx communities face significant disparities in health outcomes: Chicago, Detroit, Los Angeles, New Orleans, New York and Philadelphia.

With \$1 million in available funding, Johnson & Johnson called for ideas that enhance equitable access to care, stimulate diversity in science, advocate for more trustworthy community-based healthcare, and prevent and treat illnesses that disproportionately affect Black and Latinx communities. More than 180 applications were submitted and evaluated by an independent judging committee, and awardees will be announced in 2022.

3. Establishing enduring alliances: Johnson & Johnson is partnering with universities, health systems, NGOs and governments to build coalitions to develop and expand programs that help close the health gap for people of color. To support the creation of a next generation of diverse physicians, Johnson & Johnson, along with Janssen, strengthened our 20-year partnership with the National Medical Fellowships (NMF), a nonprofit dedicated to increasing diversity among U.S. physicians. With our support, NMF introduced an inaugural class of 25 physicians into the NMF Diversity in Clinical Trials Research program to increase the number of underrepresented minority clinicians who serve as lead research managers or principal investigators.

Our investments to date have included:

- Research: Investments with partners to conduct research to better understand and raise awareness for health disparities impacting communities of color.
- Healthcare models: Support partners to develop and scale culturally competent healthcare models for communities of color.
- Frontline health worker representation: Scholarships and other nonfinancial support funding for a range of professional healthcare and advocacy organizations to help increase the representation of people of color in medical, scientific and health professions.
- Community-based healthcare solutions: Funding to support community-based healthcare solutions that improve quality of and access to care for people of color.
- Advancing climate solutions and health equity: Support leading organizations that are addressing the disproportionate impacts of climate change on the health of communities of color. For example, working with the Medical Society Consortium on Climate and Health and the National Medical Association, we created the pioneering Climate and Health Equity Fellowship to support physicians of color to become leaders in climate and health equity education, advocacy, and policy solutions. We also supported 20 full scholarships for students of color to attend the first-ever Youth Summit on Climate Change & Health that was hosted by the Harvard T.H. Chan School of Public Health's Center for Climate, Health and the Global Environment (Harvard Chan C-CHANGE).

See section on Supplier Diversity for metrics related to the enduring alliances priority area.

Advancing Public Health | Our Race to Health Equity

Additionally, we advance ORTHE through our business activities and through our brands.

Boosting diversity in clinical trials: We share the concern about the historic underrepresentation of racial and ethnic minorities in clinical trials, and Janssen has taken specific steps to (1) advance internal awareness on the need to successfully recruit underserved and underrepresented patients and apply new tools to increase enrollment of diverse populations in our clinical trials, (2) increase underserved and underrepresented populations' access to participation in clinical trials through various internal and external initiatives that address barriers to enrollment, and (3) improve awareness and education about clinical trials in underrepresented populations to facilitate greater trust and participation in clinical trials.

Driving innovation: For example, we encourage innovation through our QuickFire Challenges that invite ideas from diverse groups with the aim to solve healthcare challenges to create equitable and inclusive healthcare systems (see section: R&D Innovation).

In 2021, we launched an innovative program in the UK to help drive a more diverse healthcare workforce and provide young people with opportunities to pursue a career in STEM. The Johnson & Johnson STEM Scholars Programme was created to support Black students studying STEM in further education. The five-year program is championed by the Johnson & Johnson Innovation Centre in London and supports 25 students for two years, and a cohort of 10 students for a further three years during their time at university. The program aims to build understanding of the healthcare industry and STEM careers and will enable students to gain experience through work placements and paid internships at Johnson & Johnson UK locations, supported by a Johnson & Johnson mentor.

Advancing health equity though MedTech: At Johnson & Johnson MedTech, we use our role as a MedTech leader to address health disparities and promote health equity solutions across surgery, orthopaedics, interventional solutions and vision. We aspire to reach more than 1 million HCPs through partnerships with the Society of Black Academic Surgeons, Advances in Surgery (AIS) and others to execute training initiatives focused on addressing disparities in healthcare.

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At Johnson & Johnson UK, a key priority is to invest in the next generation of healthcare talent and to ensure that young people everywhere have the opportunity to fulfill their dreams, regardless of their ethnicity, background or circumstances. This programme will help build a more diverse talent pool for Johnson & Johnson and create a stronger and more resilient healthcare workforce.

Rhoda Steel

UK Corporate Social Responsibility Lead, Johnson & Johnson

In 2021, we advanced multiple initiatives to advance health equity, including:

- Supporting a two-year scholarship and mentorship program for diverse medical students in the U.S. conducted by the NMF;
- Partnerships with the NMF Diverse Clinical Investigator Training Institute with MedTech Color to increase patient diversity in clinical trials;
- Training sessions for HCPs on healthcare diversity, in collaboration with AIS and the American College of Surgeons (with more than 60,000 participants from 150 countries having attended the training);
- Launching an initiative to drive change in stroke care, starting with the collection and analysis of data and insights needed to identify and drive the change in closing the disparity gap associated with stroke care; and
- Helping publish, as a member of AdvaMed, industry-wide principles on health equity and engaging regularly with the FDA and other groups to advocate for communities of color.

Johnson & Johnson Vision is the first major eye health company to sign the 13% Promise, an initiative created by nonprofit Black EyeCare Perspective to increase equity and representation in optometry to mirror the 13% of Black people in the U.S. population.

Also in 2021, J&J MedTech continued its My Health Can't Wait program in the U.S. and around the world. My Health Can't Wait is a global education initiative and online resource to encourage patients and HCPs to access and provide care safely during the pandemic and beyond. The program provides resources to help HCPs and patients reengage in meaningful conversations about how and when to get the right medical treatment. In 2021, we launched a localized My Health Can't Wait pilot program, focusing on underserved communities in Chicago, informed by research that indicates that Black and Hispanic adults deferred care at higher rates throughout the pandemic, reinforcing the inequities facing communities of color in the region. Through both initiatives, we were able to reach millions of individuals with resources that can guide them to receive the healthcare they need.



To learn more about our progress in ORTHE, please visit Our Race to Health Equity.

To learn more about our efforts to advance DEI across our organization and through our business activities, see also our third annual DEI Impact Review.

Advancing Public Health

Frontline Healthcare & Communities

GRI 201-1, 203-1, 203-2, 414(103), J&J21-10, SASB HC-BP-240a,1

At Johnson & Johnson, we contribute to advancing health and well-being in the communities in which we live and work. Our GCI organization, through funding from the nonprofit Johnson & Johnson Foundation and other operating companies across Johnson & Johnson business segments and functional organizations, drives programming for our community giving, social impact and other initiatives around the world. In 2021, GCI built on existing work with expanded and new programs.













Support Frontline Health Workers (by 2030)

→ On track

Progress: Reached more than 731,000 nurses. midwives and community health workers.

Johnson & Johnson's Center for Health **Worker Innovation**

Established in 2019 and equipped with a \$250 million, 10-year commitment from the Johnson & Johnson Foundation and the Johnson & Johnson Family of Companies, the Center for Health Worker Innovation carries forward our longstanding focus on frontline health workers as essential to solving all health challenges. The Center is committed to supporting one million frontline health workers, specifically nurses, midwives and community health workers, projected to reach 100 million people by 2030. In 2021, with an additional \$50 million commitment toward our COVID-19 response, the Center worked with partners around the globe to help build resilient, community-based health systems while adapting and responding to the needs of the COVID-19 pandemic.

In 2021, our Center for Health Worker Innovation advanced several initiatives, including:

Partnering for collective impact: The Center for Health Worker Innovation supported the launch of the Kenya Community Health Strategy, a multistakeholder coalition to strengthen community health led by the Kenyan Ministry of Health. The strategy aims to formally integrate community health workers into the health system. This strategy co-creation model was also launched in South Africa with the national Ministry of Health to help transform the health system by supporting community health workers with accredited training, advancing a digital health system and updating government policy.

Helping health workers manage stress: To support health workers in managing stress, exacerbated during the COVID-19 pandemic, the Center for Health Worker Innovation launched The Resilience Collaborative, a global learning community connecting more than 400 people from 200 organizations across 34 countries to advance learning and drive adoption of evidence-based strategies for health worker resilience, particularly in low-resource settings. The Collaborative's Toolkit and other resources have been accessed by more than 100 organizations.

Harnessing digital health: The Center for Health Worker Innovation supported the digital training of hundreds of thousands of frontline health workers on COVID-19 response and vaccination through a range of partners, including the Western Catholic Educational Association, Reach52, VillageReach, Praekelt.org and UNICEF. Additionally, content developed by UNICEF, the COVID-19 Digital Classroom Consortium and WHO was adapted for different mobile-first channels and made freely available for use by organizations around the world. We also supported other digital initiatives that provided real-time alerts, vaccine registrations and other tools, reaching millions of people globally.

Building community health worker capability in China: More than 180 million elderly people suffer from one or more chronic diseases in China, accounting for 75% of this population.²⁹ In October 2021, the Center for Health Worker Innovation partnered with China Primary Health Care Foundation to launch the Community Health Worker Capability Building for Elderly Common Disease program in China. The program aims to help community health workers improve their capability to manage common diseases among the elderly and improve the quality of public health service. The program has committed to train 4,000 community health workers and benefit 400,000 residents in communities or villages each year for five consecutive years. The project will initially focus on disease management of

cataract and atrial fibrillation, two common chronic diseases in the elderly. In addition, the program will carry out nationwide health communication campaigns to enhance the public's awareness of prevention and treatment of common chronic diseases among the elderly.

Boosting resilient community-based health systems: As part of our advocacy work to support frontline health workers and build resilient community-based health systems, we progressed several collaborative initiatives, including:

- Partnered with Women in Global Health to create the Fit for Women—Safe and Decent PPE for Women Health and Care Workers Report, a global research report to document the challenges frontline women health workers faced during COVID-19, as most medical PPE are not designed for women's bodies;
- Collaborated with global sustainability nonprofit Forum for the Future to create a report covering resilient community health systems of the future, including lessons learned from the COVID-19 pandemic;
- Contributed to the publication of the "State of the World Midwifery Report 2021" and Emergency Obstetrics and Newborn Care e-learning modules;
- Commissioned the first-ever mobile, modular museum, Micro Museum of Care, that explores caring for one another told through the stories of frontline health workers. The Museum of Care will reside first in the New York City public library system through spring 2022; and
- Collaborated with the Financial Times (FT) and our partners to produce a series of articles that explore and build awareness of the challenges and opportunities facing the global health workforce through stories of individual health workers based in different parts of the world and their real-life experiences. The Center also supported the development of an FT special report, Delivering Healthcare, looking at challenges facing the world's health systems and how to solve them.





Advancing Public Health | Frontline Healthcare & Communities

Johnson & Johnson has supported the nursing profession for more than 125 years because we believe nurses are the backbone, lifeblood and heart of health systems worldwide.

In 2021, we continued our advocacy and investment in the nursing profession in the following ways:

COVID-19 Vaccine Facts for Nurses (CVF4N) digital campaign: To help nurses educate themselves and prepare them to inform and counsel their patients and the communities they serve, we provided support to the American Nurses Association (ANA) to launch CVF4N. The campaign was developed in collaboration with 22 nursing organizations to identify evolving questions about COVID-19 vaccinations and provide culturally relevant, critical information and expert perspectives about the safety, efficacy and importance of vaccines. The campaign included webinars, town hall meetings, videos, infographics and diverse social media content, and a website. Nurses across the country engaged widely with the campaign and at its conclusion at the end of 2021, an ANA survey indicated that nurses' confidence in vaccine safety and effectiveness had risen to 75% over the course of the year.³⁰

Accelerating nursing, transforming healthcare research: Johnson & Johnson partnered with the American Organization for Nursing Leadership (AONL) and the ANA to conduct a large-scale research study examining the impact of the COVID-19 pandemic on the nursing workforce as a way to extract key learning, spotlight exemplars and help chart a progressive path forward for the nursing profession. This work led to the publication of four papers in July 2021, a webinar and conference presentations. While the adverse impacts of the pandemic on nurses is well documented, we found that the urgency of the pandemic removed longstanding barriers for the profession, enabling nurses to step up and lead in new roles and innovate in new settings, indicating clear opportunities for nurses to continue to help transform healthcare in new ways in the future.

Another channel through which we aim to help transform healthcare in our communities is <u>Johnson & Johnson Impact Ventures</u>, a Johnson & Johnson Foundation initiative to develop a global portfolio of impact startups and social ventures, with a focus on low-income and diverse communities. In October 2021, Johnson & Johnson Impact Ventures announced a \$50 million investment from the Johnson & Johnson Foundation to be allocated to innovative financing for health impact entrepreneurs to improve healthcare in communities around the world. To date, Johnson & Johnson Impact Ventures portfolio companies have reached **1.8 million lives**. 31

Our Giving & Partnerships

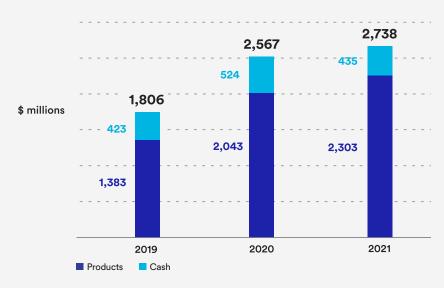
GRI 413-1

At Johnson & Johnson, we use our scale and resources for good, contributing to many causes around the world to help advance health and improve people's lives by providing funding, products, nonprofit support and engaging our employees in volunteer efforts in our communities. Our giving is primarily executed through the Johnson & Johnson Foundation, a registered charitable organization that is funded solely by the Johnson & Johnson Family of Companies. The Foundation operates worldwide as Johnson & Johnson Foundation (founded 1953) and Johnson & Johnson Foundation Scotland (founded 2007). These independent entities support both global and in-country partnerships and initiatives, opportunities for employee engagement, and disaster response activities managed by the GCI organization at Johnson & Johnson, including the Center for Health Worker Innovation, Our Race to Health Equity platform and Johnson & Johnson Impact Ventures.

We maintain several global partnerships and platforms that advance healthcare and the quality of life for patients, consumers and communities. We continue to engage with the following organizations:

- UNICEF, a 30-year partnership to strengthen health systems in 20 countries and territories:
- Save the Children, a longstanding partnership supporting a range of programs such as newborn survival, support for refugees, response to humanitarian crises and joint advocacy;
- Johnson & Johnson One Young World Program, a partnership since 2013 to provide young leaders in healthcare with opportunities to contribute to solving health issues; and
- Global Citizen, a partnership since 2016 to address public health challenges through this social action platform.

Our Giving



In the U.S., we also support independent initiatives by donating medicines and funding to the Johnson & Johnson Patient Assistance Foundation, Inc. (JJPAF), an independent nonprofit committed to helping eligible patients without insurance coverage receive prescription products donated by Johnson & Johnson operating companies.

Advancing Public Health | Frontline Healthcare & Communities

Disaster Preparedness & Relief

GRI 413-1

We continue to work with trusted partners, including Americares, Heart to Heart International, the Catholic Medical Mission Board, MAP International, MedShare and International Health Partners, on the front lines of care by coordinating product donations and supporting programs that help communities recover, rebuild and become resilient. In the immediate aftermath of major disasters, our response includes providing essential Pharmaceutical, MedTech and Consumer Health products as well as monetary donations and other support.³²

\$6.69 million

worth of Johnson & Johnson product provided to communities impacted by natural disasters around the world.

\$0.29 million

allocated in support for the immediate, mid- and long-term response, as well as readiness, to natural disasters around the world.



A family impacted by disaster receives a Johnson & Johnson Hygiene Kit. Photo by Heart to Heart International.

In 2021, we supported communities impacted by disaster, in addition to our continued support for regions affected by new waves of the COVID-19 pandemic. Examples include:

- Winter storm in Texas: Winter storm Uri in February 2021 caused blackouts for more than 5.2 million homes and businesses in Texas resulting in hundreds of fatalities. We provided funding to the H-E-B Spirit of Giving Fund to support those without power with food, water and cleaning supplies.
- Earthquake in Haiti: Thousands of people lost their lives and many more were injured in the earthquake that struck the Southwestern part of Haiti in August. Johnson & Johnson donated 5.4 million doses of VERMOX, our medicine for intestinal worms, and three DePuy Synthes small fragment fracture sets for long bone fracture management to help Haitians in need access essential supplies and medicines and respond to the acute surgical needs of those injured in the disaster.
- Hurricanes in the U.S. and Mexico: We continued our support for Medical Brigades that were active in recovery efforts resulting from Hurricane Grace in Mexico and supported <u>AIDS</u> United in its efforts with vulnerable populations following the havoc wreaked in the U.S. by Hurricane Ida.
- Western Kentucky tornado: Johnson & Johnson provided key partners
 working on the ground with mobile medical units and other facilities for
 healthcare providers to help communities recover from the violent Western
 Kentucky tornado.
- Wildfires in Turkey: In the aftermath of raging fires affecting more than 47 provinces and destroying 160,000 hectares of forest areas in Turkey, we provided support to local communities and donated 20,000 saplings to the Turkish Foundation for Combating Soil Erosion to be planted in the impacted region.
- Flooding in Brazil and Europe: In Brazil, we partnered with the Brazilian Red
 Cross to provide first aid, food and psychosocial support to those impacted
 by heavy flooding, affecting dozens of cities across the country. In Europe,
 we donated funds to the German Red Cross for disaster relief efforts and sent
 Consumer Health hygiene products to the disaster areas.

When disaster strikes our communities around the world, we invite Johnson & Johnson employees to make personal donations, which are matched on a two-forone basis by Johnson & Johnson to triple the impact in helping affected populations.



A simple white drawstring bag of essential supplies—toothpaste, toothbrushes, shampoo, bar soap, washcloth and hand towel, BAND-AID® Brand Adhesive Bandages, and a comb—make up the Johnson & Johnson Hygiene Kit. It's our first line of support to those impacted by disasters around the world. Photo by Heart to Heart International.

Pandemics & Epidemics

GRI 203(103

Johnson & Johnson is actively engaged in responding to and preventing a broad range of pandemic and epidemic threats; our experience in these areas has been built over more than a century. Our track record in advancing vaccines and novel treatment regimens and facilitating access to address multiple diseases such as HIV, TB, COVID-19, Ebola, dengue and others, as well as addressing the growing threat of AMR, has made a significant contribution to global public health and UN SDG 3, which aspires to ensure healthy lives and promote well-being for all ages.

We maintain a wide range of collaborative partnerships to advance global health security and pandemic preparedness. One such collaboration, <u>BLUE KNIGHT</u>, is between <u>JLABS</u> and the Biomedical Advanced Research and Development Authority (BARDA), part of the U.S. Department of Health and Human Services, with the goal of accelerating the research and development of potential solutions for a range of diseases with pandemic potential. In 2021, the collaboration expanded residency opportunities to all JLABS and affiliate locations in North America as well as maintaining a virtual, global engagement model. By the end of 2021, the BLUE KNIGHT portfolio had grown to 19 companies globally, dedicated to anticipating potential health security threats, activating the global innovation community, and amplifying scientific and technological advancements.

Johnson & Johnson was a strategic sponsor of the 2021 World Health Summit to advance the collaboration, solidarity and commitment that will be necessary to tackle the infectious disease threats of both today and tomorrow. Four senior leaders representing our advances in Global Public Health shared their experience and insights at the conference.

Our Health for Humanity 2025 Goals

include a key focus on combating pandemics and epidemics, with three goals addressing pandemic preparedness, vaccination monitoring capabilities and access plans for endemic disease assets in our pipeline. In addition, we have specific goals relating to developing and enhancing access to HIV and TB treatments.



Health for Humanity 2025 Goals | Global Health Equity



Global Access Plans

Progress: Completed pipeline asset evaluation, internal assessments and developed a resource to support future global access plans.

Completed pilot of a relevant pipeline project.

Preventive Viral Vaccine Capabilities

Progress: Captured processes and learnings for future documentation in playbook.

The Johnson & Johnson COVID-19 vaccine was granted Emergency Use Authorization (EUA) from the U.S. FDA and Conditional Marketing Authorization by the European Commission, in addition to Emergency Use Listing (EUL) by the WHO. The Company's COVID-19 vaccine was granted full approval by Health Canada.

Shipped 180 million doses of our COVID-19 vaccine to the African Union, COVAX, and South Africa through advanced purchase agreements and country donations.

Vaccination Monitoring Platform

Progress: Completed first large use case of the Vaccination Monitoring Platform (VMP) through the UMURINZI campaign, fully vaccinating more than 200,000 individuals against Ebola in Rwanda.

Also deployed VMP via the WHO Solidarity trial for COVID-19 vaccines in three countries (Colombia, Mali and the Philippines).

Identified a partner to support digital implementation of the platform. On track

✓ On track

✓ On track

-38

Pandemics & Epidemics

COVID-19

SASB HC-BP-240a.1

Johnson & Johnson has a legacy of responding during crises. We have actively engaged in fighting global epidemics and outbreaks from TB to HIV and Ebola, and we leveraged this knowledge and experience in our actions to help fight COVID-19. We have been and continue to be intensively engaged in activities to help halt the COVID-19 pandemic through developing an easy-to-deploy vaccine, conducting trials, obtaining regulatory authorizations, building supply chain capabilities and engaging with partners around the world to support health systems and healthcare providers involved in combating COVID-19—all at an unprecedented speed. Consistent with this legacy, Johnson & Johnson was among the early responders to the global pandemic in January 2020, where we invested substantially in both antigen design and vaccine drug product development to enter into trials by mid-2020, and launch into large global studies of our COVID-19 vaccine by the third guarter of 2020.

A commitment to global equity has guided the Company's response since the beginning of the pandemic, starting with the decision to pursue a vaccine that can provide protection with a single dose and be easily stored and distributed with standard refrigeration globally, including in resource-limited, rural or remote settings. Johnson & Johnson supported the development of its vaccine with a global and inclusive clinical research program that studied the vaccine in the U.S., Europe, Africa, Asia and Latin America as we sought to generate evidence across multiple geographies and diverse, at-risk populations, including in resource-limited settings.

In 2021, **180 million** doses of our **COVID-19 vaccine** were shipped to the African Union, COVAX and South Africa through advanced purchase agreements and country donations.



A woman receives a COVID-19 vaccination in South Africa

In 2021, our progress in delivering our COVID-19 vaccine included:

Completing our Phase 3 COVID-19 vaccine trials: In January 2021, Johnson & Johnson shared top-line efficacy and safety data from the Phase 3 ENSEMBLE clinical trial, demonstrating that a single dose of the Company's COVID-19 vaccine met all primary and key secondary endpoints. The final analysis of this study was published in The New England Journal of Medicine in March 2022 and demonstrated that a single shot provided 75% efficacy in preventing severe/ critical COVID-19 at least 28 days following vaccination.

We also conducted the Phase 3 "ENSEMBLE 2" study to evaluate the safety and efficacy of a homologous (same vaccine) booster shot administered 56 days after primary vaccination. A final analysis of the double-blind phase of this trial is currently undergoing blinded peer review and has been submitted to a scientific journal.

Securing regulatory authorizations: In 2021, based on the results of our clinical studies, we applied for and received:

- Emergency Use Authorization (EUA) by the FDA;
- Conditional Marketing Authorization by the European Commission;
- Emergency Use Listing (EUL) issued by the WHO;
- Interim Order authorization in Canada and subsequent full approval by Health
- Regulatory authorizations and waivers in 50 African countries and in other countries worldwide.

Additionally, the Johnson & Johnson COVID-19 vaccine has been authorized as a booster by multiple regulators and healthcare bodies around the world, including a recommendation by the Strategic Advisory Group of Experts on Immunization (SAGE) for the WHO, an EUA from the FDA, as well as a Positive Opinion for use of the Company's COVID-19 vaccine as a booster from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA). Boosting with the vaccine is permitted in homologous (same vaccine) and/or heterologous ("mix-and-match") vaccination regimens.

Acting swiftly on vaccine safety: The safety and well-being of the people who use our products is always our number one priority. For the Johnson & Johnson COVID-19 vaccine, we were notified of reports of a very rare adverse event (thrombosis with thrombocytopenia syndrome, TTS), which can occur

following vaccination. In response, we acted swiftly and in full collaboration and transparency with the FDA, CDC, EMA, WHO and others to investigate; take appropriate action; and update our COVID-19 Vaccine Fact Sheets for healthcare providers, vaccine recipients and caregivers. Johnson & Johnson continues to collaborate with health authorities around the world to ensure HCPs and individuals are fully informed about TTS, enabling correct diagnosis, appropriate treatment and expedited reporting. In May 2022, Johnson & Johnson, in close coordination with the FDA, updated its U.S. COVID-19 Vaccine Fact Sheet to increase awareness about the risk of thrombosis with TTS, a rare but potentially life-threatening condition.

Generating real-world evidence: In January 2022, Johnson & Johnson announced results, which were subsequently peer reviewed and published in JAMA Network Open, from the largest study conducted in the U.S. to date on the durability of COVID-19 vaccines. The study found that a single shot of the Johnson & Johnson COVID-19 vaccine resulted in protection at least six months against COVID-19 breakthrough infections, hospitalizations and intensive care unit admissions. The study showed that the effectiveness of the vaccine against breakthrough infections and hospitalizations remained especially durable. In parallel, our research indicated that the vaccine induces a very strong cellular immune response, distinguishing it from other vaccines and likely contributing to its durability of protection and its breadth of protection from emerging variants.

In December 2021, we announced new preliminary results from the South African Phase 3b Sisonke (TOGETHER) study, which showed that a single shot of the Johnson & Johnson COVID-19 vaccine demonstrated 85% effectiveness against COVID-19-related hospitalization. Through the Sisonke study, the Government of South Africa was able to make 500,000 donated doses of the Johnson & Johnson COVID-19 vaccine immediately available to healthcare workers for use in South Africa. The study was sponsored and conducted by the South African Medical Research Council (SAMRC) and showed that the Johnson & Johnson booster reduced the risk of hospitalization from COVID-19 among healthcare workers in South Africa after Omicron became the dominant variant. In November 2021, the next phase of the study, called "Sisonke 2", began offering booster shots of the Johnson & Johnson COVID-19 vaccine to Sisonke clinical trial participants.

Pandemics & Epidemics | COVID-19



Data from the Sisonke study confirm that the Johnson & Johnson COVID-19 booster shot provides robust effectiveness against hospitalization in areas where Omicron is dominant. This adds to our growing body of evidence, which shows that the effectiveness of the Johnson & Johnson COVID-19 vaccine remains strong and stable over time, including against circulating variants such as Omicron and Delta.

Mathai Mammen, M.D., Ph.D.

Executive Vice President, Pharmaceuticals, R&D, Johnson & Johnson

Equitable access to our COVID-19 vaccine: Johnson & Johnson remains committed to ensuring equitable global access to its COVID-19 vaccine candidate for people around the world. In 2021, Johnson & Johnson provided its vaccine globally at a not-for-profit price and through its advance purchase agreements (APAs) and country donations, shipped approximately 70% of its global vaccine supply to LMICs. As of March 2022, Johnson & Johnson has shipped more than 220 million vaccine doses to Africa through a combination of our APAs with the African Vaccine Acquisition Trust (AVAT); South Africa and Gavi, the Vaccine Alliance; and on behalf of the COVAX Facility, along with government donations. COVAX aims to support the world's COVID-19 vaccination needs, particularly in lower-income countries globally, while AVAT procures COVID-19 vaccines on behalf of the African Union's 55 member states. As part of our efforts for global vaccine equity, we have supported the donation of Johnson & Johnson COVID-19 vaccine doses by the U.S. government and EU member states to COVAX. Additionally, we support the COVAX Humanitarian Buffer through an agreement with the U.S. government and Gavi that enables access to our COVID-19 vaccine for the world's most vulnerable people.

The arrival of Johnson & Johnson's COVID-19 single-shot vaccine in Africa was the focus of an important press conference, where Dr. John Nkengasong, Director of the the Africa Centres for Disease Control and Prevention, heralded the arrival as a historic day for Africa.

Supplying our COVID-19 vaccine: Johnson & Johnson launched unprecedented efforts to manufacture our COVID-19 vaccine. We forged partnerships across four continents, including manufacturers in South Africa and India, to establish the manufacturing capacity and capabilities that would enable us to deliver our vaccine on a global scale. We also worked efficiently with numerous suppliers to quickly source the more than 160 different materials required for vaccine production.

Our COVID-19 manufacturing collaborations each include a license to our technology and the sharing of manufacturing know-how to enable the safe and high-quality production of our vaccine. We worked with our partners, regulatory authorities and governments to expedite all steps of the vaccine production process and to activate our manufacturing sites as quickly as health authority approvals allowed. As with all vaccines, the manufacturing and supply chain for our COVID-19 vaccine is highly complex, and it takes time to scale up production. Although we have experienced challenges in fully activating our global supply network, we have overcome these challenges and continue to focus our efforts on ensuring our vaccine is available during the pandemic where people are most in need.

Catalyzing vaccine production in Africa for Africa: Early in the pandemic, we sought a strategic partner in Africa to whom we could transfer our 'fill-and-finish' manufacturing technology. In 2021, our strategic partner, Aspen Pharmacare in South Africa, successfully manufactured millions of doses of our vaccine for delivery globally, including across Africa, which is critically important given the comparatively low vaccination rates across the continent. Building on this, in March 2022, Johnson & Johnson announced a landmark agreement between Janssen Pharmaceuticals and Aspen SA Operations (Pty) Ltd, which enables the first COVID-19 vaccine to be manufactured and sold by an African company for people living in Africa, with the goal of increasing COVID-19 vaccination rates across the continent.

Contributing to vaccine confidence: Vaccines can only be effective in a pandemic if they are accepted as a positive health intervention by the majority of people. In this context, Johnson & Johnson funded a large-scale multicountry study, conducted by the London School of Hygiene and Tropical Medicine (LSHTM), aiming to explore the public's intent to accept a COVID-19 vaccine. The study examined the sociodemographic and emotional determinants of COVID-19 vaccine uptake for more than 19,000 individuals in 17 countries and provided important insights into worldwide variations in COVID-19 vaccine uptake intent. We believe that continued work in vaccine confidence is critical to understanding public sentiment and informing the creation of the most effective channels and communications for vaccine deployment.

Johnson & Johnson is also contributing to the collective vaccine confidence effort in Africa by leveraging our market research expertise to produce insight-based tools in support of public vaccine education campaigns

Supporting WHO COVID-19 vaccine research: In 2021, the WHO launched a new platform of clinical trials to evaluate the efficacy and safety of promising new COVID-19 vaccines. The Solidarity Trial Vaccines (STV) started recruitment in Colombia, Mali and the Philippines and are expected to expand to more countries. Critical to the success of STV is the Vaccination Monitoring Platform (VMP), a digital tool that helps improve participant identification and tracing, data management and two-way communication with participants to implement impactful clinical trials. Our contribution in helping make STV a success was recognized by the WHO in a public statement at the launch of the study.

For more information on our progress in helping combat the COVID-19 pandemic, please visit: jnj.com/coronavirus.

Pandemics & Epidemics

HIV

SASB HC-BP-240a.1

It has now been more than 40 years since the first cases of what would become known as <u>AIDS</u>, caused by <u>HIV</u>, were reported in 1981. While a cure continues to evade our best science, groundbreaking innovation in advanced treatments have helped transform HIV from a terminal illness into a manageable condition, enabling those affected by the virus to enjoy productive lives.

Health for Humanity 2025 Goals | Global Health Equity



Access to HIV Treatment

→ On track

Progress: Completed and submitted regulatory filing packages in two <u>RLS</u> countries (Botswana and South Africa).

Long-acting injectable HIV treatment regimen

After a long history of developing progressive treatments for HIV, we achieved another highly significant milestone in HIV drug development: <u>FDA</u> approval of the world's first long-acting injectable (LAI) HIV treatment regimen,³⁵ approved for both an every-month dosing schedule (12 injections per year) in January 2021 and an every-two-months dosing schedule (six injections per year) in February 2022. The LAI regimen includes two antiretroviral drugs, one developed by Janssen (rilpivirine) and the other by ViiV Healthcare (cabotegravir).

The LAI regimen replaces a daily two- or three-drug oral regimen with two injections administered on the same day either every one or two months, significantly easing the burden of medication and facilitating adherence. Further, daily pill regimens may create stigma for those living with HIV, creating a barrier to seeking and adhering to treatment due to fear of disclosure. LAI regimens could provide solutions to these challenges and, supported by ongoing efforts to expand access to HIV treatment, help transform the lives of those living with HIV while bringing us closer to our commitment of making HIV history. In 2021, Johnson & Johnson and ViiV Healthcare submitted regulatory fillings for the everyother-month dosing schedule of the cabotegravir + rilpivirine LAI regimen in Botswana and South Africa. This marks the first such fillings in resource-limited settings, illustrating our commitment to help ensure innovative products reach patients in need in LMICs as quickly as possible.

Additional developments helping make HIV history in 2021 included:

Mosaico continues global Phase 3 HIV vaccine trial: Our large-scale efficacy study, Mosaico, continued to run in 2021. Mosaico aims to test the safety and efficacy of a specific composition of an investigational HIV vaccine regimen among men who have sex with men and transgender individuals and is being conducted in the Americas and Europe. The regimen is based on ADVAC viral vector technology, which Janssen successfully used in the development of our COVID-19 and Ebola vaccines.

Our other large-scale Phase 2b HIV vaccine clinical trial, Imbokodo,³⁶ was discontinued in 2021 after data showed the investigational HIV vaccine regimen did not provide sufficient protection against HIV in a population of young women in sub-Saharan Africa at elevated risk of acquiring HIV. Though the trial did not continue, following completion of all vaccinations in 2020, further analysis of the Imbokodo study is ongoing, and the study has provided enough data to progress with key immunological research to help inform future research in this field.

Imbokodo enrolled approximately 2,600 young women across 23 trial sites in five countries in sub-Saharan Africa for four vaccination visits over one year.

Global HIV Prevalence³⁴

37.7 million

people across the globe with HIV in 2020 (53% women and girls).

28.2 million

people with HIV accessing antiretroviral therapy (ART) globally as of June 2020 (9.5 million people without access to ART).

63%

of all new HIV infections in sub-Saharan Africa in 2020 were women and girls.

680,000

people (approx.) died from AIDS-related illnesses worldwide in 2020, compared to 1.3 million in 2010, a testimony to the effectiveness of and access to treatment.



The high incidence of HIV among young women in sub-Saharan Africa reminds us that, despite great progress made in treatment and prevention, HIV remains a major health challenge for the region. This underscores the need to apply the knowledge that will be gained from this trial to continue to advance the pursuit of a global HIV vaccine.

Professor Glenda Gray

President and Chief Executive Officer, South African Medical Research Council (SAMRC) and Imbokodo's Protocol Chair

Pandemics & Epidemics | HIV

HIV prevention for women and girls: The dapivirine ring, recommended in 2021 by the <u>WHO</u> as an additional prevention choice for women with a substantial chance of contracting HIV as part of combination prevention approaches, was a popular choice among African adolescent girls in a recent study.

The dapivirine ring is a long-acting HIV prevention method specifically for women, developed by the International Partnership for Microbicides and based on Janssen's <u>ARV</u> compound. The flexible, silicone ring is discreet, easy to use, has minimal side effects and only needs to be replaced monthly.

In July 2021, Microbicide Trials Network (MTN) <u>presented interim data</u> showing a strong preference for the dapivirine ring and higher adherence than previously observed.

Further, a U.S. National Institutes of Health funded Phase 3b study, <u>DELIVER</u> (MTN-042), showed encouraging interim safety results for the use of the dapivirine ring late in pregnancy. The study is ongoing among pregnant women who are HIV negative in four sub-Saharan African countries with a high prevalence of HIV/AIDS, especially in women. MTN is also conducting a study on the ring's safety and use among women who are breastfeeding (MTN-043).



of study participants said they liked the monthly dapivirine ring during the six months they were asked to use it.



Several studies have shown that pregnancy is associated with an increase in susceptibility to HIV acquisition.³⁷



A woman explains the use of a dapivirine ring in preventing HIV to a group of adolescents in Africa. Photo by International Partnership for Microbicides.

66

We need to have a range of HIV prevention options so that women can choose the one that works best for them. The dapivirine vaginal ring is something they can control—putting the power to reduce their HIV risk in their hands.

Zeda Rosenberg, Sc.D.

Founder and CEO, International Partnership for Microbicides

HIV treatment in the last mile: Many people worldwide still live beyond the reach of traditional healthcare systems and without access to care. Closing this "last mile" of health delivery and ensuring global, equitable access to modern HIV treatments is one of the most significant challenges in global health. We funded a multiyear pilot study program with the Infectious Diseases Institute in Kampala, Uganda, to test the feasibility of delivering lifesaving HIV treatments quickly, efficiently and reliably to people in need in the Kalangala District using customized medical drones. The Kalangala District comprises 84 islands on Lake Victoria, accessible for drug supply and to health workers only by boat, often in adverse weather conditions, which cause delays to deliveries and safety risks for health workers.

The first regularly scheduled medical drone flight took place in April 2021. The program serves five landing sites across the region, reaching approximately 100 people living with HIV and has the potential of reaching more than 1,000, if it scales. The program also offers an opportunity for researchers to quantify the effectiveness of medical drones' HIV drug delivery through a Randomized Control Trial that will help inform future efforts to scale drone technology to solve other last mile delivery challenges in Uganda and elsewhere.

Pediatric HIV treatment and prevention: Getting HIV treatments to those who need them remains a challenge in many parts of the world, especially in sub-Saharan Africa. A combination tablet, containing our product PREZISTA (darunavir) in a fixed-dose combination with ritonavir 50mg, received WHO Prequalification, enabling its use in helping address the high unmet need in second- and third-line treatments for adults and children in an accessible and affordable form. Further, data from the Nucleosides and Darunavir/Dolutegravir in Africa study³⁸ was published in The New England Journal of Medicine, demonstrating the efficacy of ritonavir-boosted darunavir as a second-line treatment. Following these successes, along with the Elizabeth Glaser Pediatric AIDS Foundation (EGPAF), we announced our renewed commitment and the next phase of the New Horizons Collaborative, which includes an extension of our darunavir donation program and a commitment to continue enrolling new pediatric HIV patients through at least 2025. This is also an important step toward meeting our commitments to help tackle the challenge of pediatric HIV as part of the Rome 5 Paediatric HIV and TB Action Plan.

Pandemics & Epidemics | HIV



Florence Nagawa performs a routine checkup at a hospital in Uganda. Photo by Devex/Grainne Harrington.

In 2021, Elizabeth Glaser Pediatric AIDS Foundation recognized Johnson & Johnson as its Corporate Hero and Angel Sponsor.

Johnson & Johnson is a co-founder of the New Horizons Collaborative, which aims to improve treatment and care for children with HIV in 11 countries across the region through drug donation and capacity building.

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Johnson & Johnson's New Horizons Collaborative has saved thousands of lives and addressed some of the most daunting obstacles posed by the HIV pandemic. We are just thrilled to celebrate 30 years of collaboration with Johnson & Johnson this year.

Chip Lyons

President and CEO, Elizabeth Glaser Pediatric AIDS Foundation

HIV diagnosis and treatment for men: As a founding member of the MenStar Coalition, we continue to support strategy and programs aiming to expand the diagnosis and treatment of HIV infections in men, particularly in sub-Saharan Africa.



The MenStar Coalition helps break the cycle of HIV transmission among men by providing the services and support they need.

MenStar has contributed to initiating more than 2.2 million men aged 15+ years onto treatment and has achieved 94% viral suppression among those men since 2018.

Partnership for HIV prevention: In sub-Saharan Africa, DREAMS (Determined, Resilient, Empowered, AIDSfree, Mentored and Safe) Thina Abantu Abasha (DTAA), a youth-led, peer-to-peer HIV prevention program, continues to empower adolescent girls and young women (AGYW) with leadership, employability, sexual and reproductive health and rights information, and skills in two South African provinces. In 2021, the DTAA program reached more than 1.3 million AGYW through a reading competition, targeted radio programming and extensive use of social media.



Since 2018, the DTAA program has reached almost 4 million adolescent girls and young women.



To learn more about our mission to end HIV, visit jnj.com/hiv

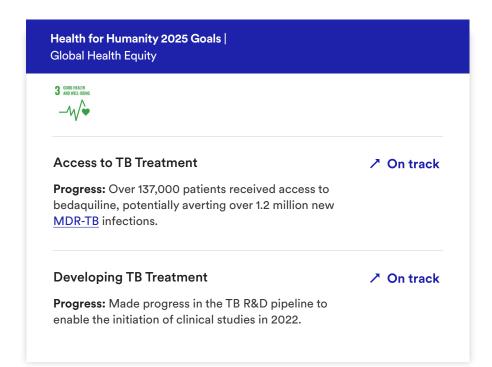
Pandemics & Epidemics

Tuberculosis

SASB HC-BP-240a.1

Tuberculosis (TB) is preventable and curable, yet it remains one of the top causes of death worldwide, claiming more than a million lives each year. Addressing this public health challenge is complex due to increasing resistance to the most frequently used first-line TB medicines (see section: Antimicrobial Resistance) and, in the last two years, disruption in health services and diversion of healthcare resources caused by the COVID-19 pandemic.

Johnson & Johnson has been a committed partner in the fight against TB—from the lab to the last mile of healthcare—for more than two decades. Our efforts are part of a comprehensive 10-year TB initiative, launched by Johnson & Johnson in 2018 and focused on treatment access, patient finding and R&D. In addition, in 2019, we committed \$500 million over four years to spur the development and delivery of TB and HIV innovations, and in 2020, we announced our commitment to Pediatric TB as part of the Rome Action Plan.



Global TB Prevalence³⁹

The COVID-19 pandemic has reversed years of progress in providing essential TB services and has disrupted already-fragile systems for TB treatment and care around the world.

10 million

people developed TB in 2020.

5.8 million

people were newly diagnosed with TB and reported in 2020 (18% decline over 2019).

1.3 million

deaths were caused by TB in 2020.



Photo by Stop TB Partnership.



Pandemics & Epidemics | Tuberculosis

Between 2014 and 2021, Johnson & Johnson has delivered more than 459,000 courses of SIRTURO (bedaquiline) in over 150 countries, including all 30 high-burden TB countries.

In 2021, our achievements toward enabling a world without TB included:

Essential medicine for pediatric MDR-TB: In 2021, the WHO added the 20mg pediatric formulation of SIRTURO (bedaquiline) as part of combination therapy to the EML and the Model List of Essential Medicines for Children (EMLc). 40 This new milestone builds on FDA and EMA approvals of bedaquiline 20mg tablet, as part of combination therapy for the treatment of MDR-TB in children aged 5 years and older and weighing at least 15kg. Research to inform the dosing of bedaquiline in MDR-TB children below the age of 5 is ongoing. The WHO EML and the EMLc include the medications considered to be efficacious, safe and cost-effective and help guide and prioritize the selection of medicines for national needs in more than 150 countries. Johnson & Johnson remains committed to ensuring this essential medicine is available, accessible and affordable.

Working to help end TB: In recognition of World TB Day in 2021, we announced a series of new commitments in support of global efforts to find and deliver care to the millions of adults and children living with TB who have not yet been diagnosed. Identifying undiagnosed people living with TB, especially those living with DR-TB, remains one of the most significant obstacles in achieving SDG target 3.3 that aims to put an end to epidemics, including TB, by 2030. Four out of 10 people with TB go undiagnosed and untreated, a situation exacerbated by health disruptions caused by the COVID-19 pandemic.⁴¹ Collaborating with national governments, nonprofit organizations and the private sector is an important part of making care accessible to thousands of people and protecting the vulnerable communities in which many of them live. Among others, these initiatives included:

 Project inSight, a collaboration with the Global Fund in Indonesia and the Philippines that is furthering understanding of the difficulties of identifying DR-TB patients. We expect to devise new strategies to amplify efforts to identify, engage and support people living with DR-TB, particularly in the context of the COVID-19 pandemic.

- Advancing the Ending Workplace TB initiative, a multisectoral collaboration that we colaunched in 2020, which leverages the untapped potential of businesses in countries disproportionately impacted by TB to roll out awareness, detection and treatment programs in their workplaces to reach millions of workers, their families and communities. Business-led efforts to fight TB are an important complement to national TB programs. Several Johnson & Johnson suppliers joined the initiative in 2021.
- Executing a historic Memorandum of Understanding with the National TB Elimination Program (NTBEP) in India for the TB Changemakers program in which Johnson & Johnson and the NTBEP are committed to engaging youth to raise awareness and improve healthy behaviors in themselves and those around them. This program is targeted to reach at least 20 million youth in eight Indian cities in an innovative digital initiative as part of India's National Program.
- In South Africa, we are working with Aquity Innovations to improve diagnosis and treatment for children and adolescents living with DR-TB. This initiative includes capacity-building efforts to support training and mentorship programs, social mapping to improve contact tracing and elevating local TB champions and advocates. Notably, with Johnson & Johnson's support, Aquity Innovations has helped reopen a pediatric TB ward that was initially closed in the wake of the COVID-19 pandemic.

Building on these efforts, in 2022, we announced a series of youth initiatives aimed at helping to empower a generation of youth to end TB and supporting efforts to find the "missing millions" of undiagnosed TB cases. Johnson & Johnson, together with the Central TB Division under the Ministry of Health of India, the MTV Staying Alive Foundation, Aquity Innovations and others, will support and engage young people to drive health-seeking behavior, build community awareness and reduce stigma to enhance early diagnosis of TB.

Collaborating to accelerate research: In early 2021, we launched the J&J Centers for Global Health Discovery, a new, global network of unique research collaborations that will leverage the strengths of Johnson & Johnson and leading academic institutions to accelerate discovery research to address the world's most pressing global health challenges. The first J&J Satellite Center for Global Health Discovery was launched at the LSHTM, and additional J&J Centers will launch worldwide in 2022 and 2023.

The J&J Centers will advance the critical, early-stage discovery and exploratory science needed to develop potentially lifesaving innovations to address diseases

that disproportionately impact the world's most vulnerable people. Each Satellite Center will focus on entrenched and emerging threats that have a high unmet need, including TB, flavivirus and <u>AMR</u>.

Additionally in 2021, together with a global consortium of 30 partners from 13 countries, we launched UNITE4TB to develop new TB and DR-TB treatments. This multiyear, collaborative initiative aims to accelerate improved clinical evaluation of combinations of existing and novel drugs, with the goal of developing highly active TB treatment regimens for drug-resistant and drug-sensitive TB. UNITE4TB is a project of the IMI AMR Accelerator, a public-private collaboration that aims to progress the development of new medicines to treat or prevent resistant bacterial infections.



The response to the COVID-19 pandemic has powerfully demonstrated the importance of investing in basic science and discovery. We have long worked with Johnson & Johnson to tackle significant global health challenges, like tuberculosis and Ebola, and are eager to build on this work in pursuit of a healthier, safer and more equitable world.

Professor Peter Piot

Director of the London School of Hygiene & Tropical Medicine



To learn more about our progress in helping eradicate TB, visit <u>inj.com/tb</u>.



Pandemics & Epidemics

Ebola

SASB HC-BP-240a.1

Our history of combating the Ebola virus goes back more than 20 years. The Zaire ebolavirus has claimed the lives of tens of thousands of individuals, mainly in Africa, since it first appeared in 1976, and the cadence of new outbreaks is increasing. In our efforts to develop a vaccine to halt the spread of this deadly virus, we have focused on Zaire ebolavirus and conducted more than 15 clinical trials sponsored by Johnson & Johnson and multiple collaborations since 2002.

Today, Johnson & Johnson's two-dose Ebola vaccine regimen comprising ZABDENO (Ad26.ZEBOV) and Bavarian Nordic's MVABEA (MVA-BN-Filo) is indicated for active immunization of disease caused by the Ebola virus (Zaire ebolavirus species) in individuals ≥1 year of age.

Following Marketing Authorization granted by the European Commission in July 2020, the regimen was granted WHO Prequalification in April 2021—the first Johnson & Johnson vaccine to receive WHO Prequalification—and will help advance preparedness strategies for countries with the potential for Ebola outbreaks.

Additionally, in March 2022, the Ghana Food and Drugs Authority granted conditional Marketing Authorization to the Johnson & Johnson Ebola vaccine regimen, becoming the first African regulatory authority to approve the regimen for commercial use.

Proven safety and immunogenicity of our Ebola vaccine regimen: Confirming previous clinical trial findings, results from our EBOVAC-Salone Phase 3 study conducted in Sierra Leone found that our Ebola vaccine regimen is safe and generates strong immunity in both children and adults. Data from two papers

published in *The Lancet Infectious Diseases* demonstrated that the regimen generated robust antibody immune responses in adults and children (ages 1 – 17) with the immune responses persisting in adults for at least two years. The data also showed that booster vaccination, administered to adults two years after the initial vaccination, induced a strong immune response within seven days.



This is a vaccine that can be used more broadly, including to protect children from being infected by Ebola, so this is a very important finding that can be worked into the process of preparing supplies.

Dr. Matshidiso Moeti

Regional Director for Africa, World Health Organization

Similarly, newly published data in *PLOS Medicine* demonstrated that Johnson & Johnson's Ebola vaccine regimen was well tolerated and induced a robust immune response in both healthy adults and adults living with HIV.

As of December 2021, more than **262,000 people** worldwide have received a first dose of Johnson & Johnson's Ebola vaccine regimen, including 233,000 who have been fully vaccinated.

Milestone vaccinations in Rwanda: In 2021, we achieved a significant milestone in our support to the Government of Rwanda's UMURINZI campaign: completion of the full vaccination of more than 200,000 Rwandans against Ebola with the Johnson & Johnson Ebola vaccine regimen. This vaccination program also represented the first large use case of the VMP, a suite of digital technologies that integrates biometric identification, mobile phone messaging and data management into a single tool that empowers healthcare workers and vaccination teams to drive successful, multidose vaccination campaigns.

Ongoing, the INGABO study, which was established as part of UMURINZI to evaluate the vaccine in healthy pregnant women, continues. As of March 2022, the study is 95% enrolled and is critical to advancing our vision of preventing Ebola outbreaks.

In 2021, Johnson & Johnson welcomed the recommendation by the Strategic Advisory Group of Experts on Immunization for the WHO in support of the use of Johnson & Johnson's Ebola vaccine regimen during outbreaks for individuals at risk of Ebola exposure and preventively, before outbreaks, for national and international first responders.



To learn more about our progress in preventing the spread of Ebola, visit <u>inj.com/ebola</u>.

Pandemics & Epidemics

Neglected Tropical Diseases

SASB HC-BP-240a.1

Neglected tropical diseases (NTDs) affect more than 1 billion people worldwide, predominantly among the poorest and most vulnerable populations in tropical climates. Of the 20 NTDs prioritized in the WHO roadmap 2021 – 2030,⁴² Johnson & Johnson research and medicines support the treatment and prevention of three high-prevalence NTDs: dengue; soil-transmitted helminthiasis (STH), also known as intestinal worms; and leprosy. As a longstanding partner in the fight against NTDs for nearly two decades, Johnson & Johnson collaborates across sectors to develop sophisticated diagnostics and data management systems, build capacity, and support frontline health workers while pursuing an R&D pipeline to advance solutions for the prevention and treatment of NTDs.

Global NTD Prevalence⁴³

Dengue

3.9 billion people are at risk in 128 countries, of which more than 100 are endemic for dengue. 0.08% of those infected lose their lives to dengue.

Leprosy

About 30 million people are estimated at risk, with more than 200,000 reports of infections from 119 countries in 2019, including more than 14.000 children.

STH

92 countries required mass drug administration in 2019, mostly across sub-Saharan Africa, Latin America and Asia but also in some areas of the European region.

The Johnson Hall Clock Tower at our World Headquarters in New Brunswick was lit up in orange and violet on January 30, 2022, joining more than 40 cities and more than 100 landmarks to "light up the world" in honor of the third annual World NTD Day.

Reaching a milestone in treating STH: By the close of 2021, we surpassed a total of two billion doses cumulatively donated of VERMOX (mebendazole), our medicine to treat intestinal worm infections. Since the donation program's inception in 2006, VERMOX has been administered to people in need in more than 50 resource-limited countries worldwide. Our longstanding donation program aims to help children, who are especially vulnerable to intestinal worms, live healthier lives. Our extended VERMOX donation commitment aims to ensure that up to one billion doses of VERMOX Chewable (mebendazole chewable 500mg tablets) are provided in the 2021 – 2025 period to high-burden countries, treating up to 100 million children each year. In 2021, the first year of this commitment, Johnson & Johnson donated more than 220 million doses of VERMOX in chewable and tablet formulations.

Since 2006, the VERMOX (mebendazole) program donated more than **2 billion** doses, treating up to **100 million** children annually.

Johnson & Johnson has supported BRAC, an international nonprofit leading the fight against STH in Bangladesh, where one in two children is infected. Through the program, BRAC has trained nearly 200 community health workers and more than 4,000 school mentors to educate families on deworming. In turn, these providers have educated more than 100,000 mothers and caregivers through health forums and reached more than 90,000 children with deworming medication through schools and community deworming camps.



More than 15 years ago, Johnson & Johnson committed to address the threat of intestinal worms. The reach and the impact of this program is a testament to the power of enduring commitment and unprecedented collaboration across sectors and shows that together, we can tackle the most significant challenges in global health.

Martin Fitchet, M.D.

Global Head, Global Public Health, Johnson & Johnson, and Member of the Board of the AMR Action Fund

Pandemics & Epidemics | Neglected Tropical Diseases

NTD surveillance and research: Together with public and private organizations and governments, Johnson & Johnson is helping streamline the diagnosis and surveillance of NTDs in low-resource countries by developing novel technology using Al. Through our unique collaboration with Merck KGaA, Darmstadt, Germany's Global Health Institute and other organizations, we strive to optimize the impact of the interventions by providing tools to improve efficiency and accuracy of diagnosis, including an Al-based tool that aims to enable country programs to effectively monitor and target treatment for STH. Additionally, in partnership with WIPO Re:Search, we make our JumpstARter Compound Library of 80,000 small molecules and compounds fragments freely available to drug discovery researchers to help identify and advance promising drug candidates to fight NTDs.

Progress in 2021 across NTDs in our focus included:

Advancing protection against the dengue virus: We shared new preclinical data, 44 published in Nature, showing that an early stage compound with a novel mechanism of action could potentially treat all serotypes of dengue and provide protection against acquiring dengue, an achievement no antiviral has delivered to date. Building on this research, we completed a Phase 1, first-in-human clinical study evaluating a small molecule with a novel mechanism of antiviral action, which confirmed the dengue-specific antiviral to be safe and well-tolerated in humans. This marks an important step forward in assessing our novel dengue antiviral, as there are currently no treatments available for dengue, and the sole licensed vaccine is approved for limited use.

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Our breakthrough work in dengue signals what is possible when collaborative science is applied at the discovery phase and channeled toward great unmet need in public health.

Ruxandra Draghia-Akli, M.D., Ph.D. Global Head, Global Public Health R&D, Janssen Pharmaceutical Companies of Johnson & Johnson

Targeted research and collaboration addressing other NTDs: We continue to investigate improving the efficacy and safety of treatment for leprosy through a proof-of-concept Phase 2 trial that is currently running to assess the safety, pharmacokinetics and efficacy of eight weeks of bedaquiline monotherapy in participants with multibacillary leprosy. The trial is fully enrolled with a primary completion date in January 2023. We are also collaborating with the Walter and Eliza Hall Institute of Medical Research (WEHI) in an extended drug-discovery collaboration to develop potential new antimalarial drug candidates.



A child in Bangladesh is given VERMOX (mebendazole) by a community health worker through an annual deworming campaign, supported by BRAC. Photo by BRAC - A.S.M. Maruf Karbir, Viscom.



To learn more about our progress in addressing NTDs, please visit inj.com/ntds.

Pandemics & Epidemics

Antimicrobial Resistance

SASB HC-BP-240a.1

The WHO considers antimicrobial resistance (AMR) one of the top 10 global health threats, 45 with the potential to cause 10 million deaths each year by 2050.46 The reducing effectiveness of today's antibiotics can turn everyday infections and simple surgical procedures into potentially life-or-death ordeals. For example, most surgical procedures from appendectomies to joint replacements or even coronary bypasses rely on antibiotics to prevent life-threatening infections.

Growing drug resistance is compounding AMR as a public health challenge.

For example, drug-resistant Tuberculosis (DR-TB) now accounts for nearly one-third of all deaths from AMR, with hundreds of thousands of new cases of DR-TB detected each year (see section: Tuberculosis). Further, the increase in hospitalizations and antibiotic use in COVID-19 treatment is predicted to further exacerbate AMR.

Our Johnson & Johnson Global Public
Health and Janssen Infectious Diseases and
Vaccines teams are critical to maintaining
our position at the forefront of impact against
AMR—from tackling DR-TB to advancing
the development of a vaccine against Expec
and exploring innovative CRISPR-Cas3enhanced bacteriophage technology to
develop targeted treatments.

Leading the way to outpace AMR: For the third year in a row, Johnson & Johnson is proud to be named one of the top three companies leading the way in addressing the complex health challenge of AMR. The 2021 AMR Benchmark, developed by the independent Access to Medicine Foundation, recognized our strong performance across three critical areas:

- increasing access to medicines for patients in need;
- ensuring careful stewardship; and
- responsibly manufacturing our medicines.

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Greater innovation is urgently needed to outpace AMR by safeguarding the treatments we have today and accelerating the development of the treatments of tomorrow.

Martin Fitchet, M.D.

Global Head, Global Public Health, Johnson & Johnson, and Member of the Board of the AMR Action Fund

Each year, **700,000 people** die due to the uncontrolled rise of superbugs resistant to antibiotics.⁴⁷

Actively seeking new antibiotics: As a founding member of the AMR Action Fund, our \$100 million commitment advances the Fund's goal of bringing two to four new antibiotics wto patients by 2030. As the world's largest public-private partnership, the AMR Action Fund aims to invest more than \$1 billion in smaller biotech companies and provide industry expertise to support the clinical development of novel antibiotics. In 2021, the AMR Action Fund announced its first non-industry investments, raising an additional \$140 million, adding to the initial investment from more than 20 leading biopharmaceutical companies that established the Fund in July 2020.

Leading practices in overcoming AMR: The AMR Industry Alliance (AMRIA) brings together biotech, diagnostics, generics and research-based pharmaceutical companies to drive and measure industry progress to curb AMR. The recently published 2021 AMRIA Progress Report cites Johnson & Johnson's notable contributions in recognition of our efforts to innovate and advocate to outpace the threat of AMR, including:

- Expanding the availability of bedaquiline, including the pediatric formulation and several partnerships to support access to treatment in the regions that need it most:
- Maintaining a resilient supply chain to ensure alignment between demand, inventory, supply and manufacturing to meet the needs in resource-limited settings, even during events causing major disruption;
- Driving healthcare workers' education on TB in partnership with different nonprofit organizations; and
- Advancing a COVID-19 vaccine supported by education for <u>HCPs</u> and engaging nurses during the pandemic.



To learn more about our progress in addressing AMR, please visit jnj.com/antimicrobial-resistance.

Read on in this section to learn about our progress in:



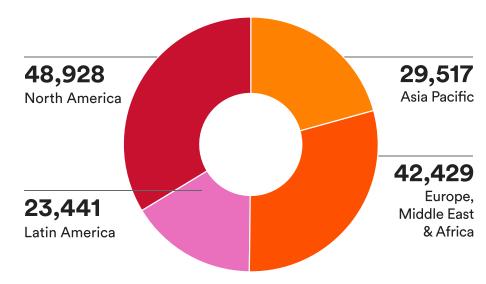
Yael P., an employee in Argentina, enjoys time with her family.

Our Employees

GRI 102-8, 401(103)

Our employees at Johnson & Johnson—144,300 individuals around the world—continue to be energized by our shared purpose to blend heart, science and ingenuity to profoundly change the trajectory of health for humanity. We promote a culture of respect, inclusion and excellence, inspired by Our Credo, so that the talent of every individual at Johnson & Johnson can be leveraged to ensure our Company, our communities and our environment, and each of us as individuals can thrive and grow.

Global Workforce by Region



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We believe that one of our greatest differentiators at Johnson & Johnson is that we are firmly committed to living Our Credo. The strength we draw from these universal values has guided us decade after decade to respect our employees; foster a culture of well-being; embed diversity, equity and inclusion everywhere we work around the globe; and provide opportunities for everyone to share in meaningful work that contributes to better health for humanity.

Peter Fasolo, Ph.D.

Executive Vice President, Chief Human Resources Officer, Johnson & Johnson



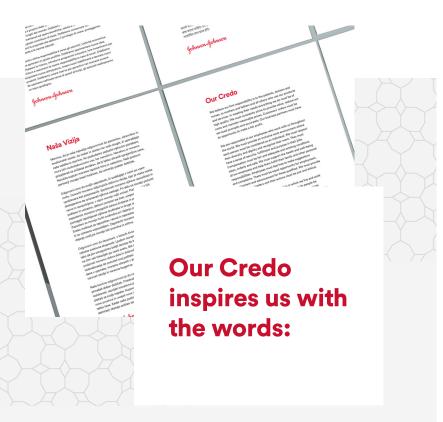
The first internship program for women in China to inspire careers in STEM²D.

Our Health for Humanity 2025 Goals include five ambitions

These ambitions will help focus our efforts to make our workplace even more diverse and inclusive, improve the health and wellness of our employees, and expand our engagement to encourage more girls toward STEM education, helping to create a more equitable workforce for tomorrow and strengthen communities.

Diversity, Equity & Inclusion

GRI 405(103), 405-1



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We must provide an inclusive work environment where each person must be considered as an individual. We must respect their diversity and dignity and recognize their merit.

With this in mind, our mission is to make <u>DEI</u> how we work every day. We advance our culture of belonging where open hearts and minds combine to unleash the potential of the brilliant mix of people, in every corner of Johnson & Johnson.

How We Define DEI



Diversity

Diversity is about each individual's unique perspective. It's about each of us, our colleagues and the world we care for—all backgrounds, beliefs and the entire range of human experience.



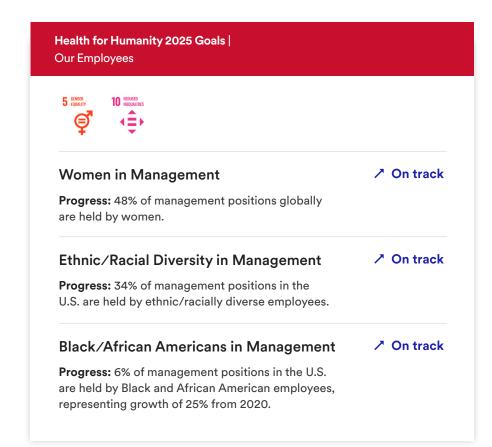
Equity

Equity is tailoring tools and resources to meet the unique needs of each individual and continuously improving our systems and processes, so everyone has the opportunity to reach their full potential.



Inclusion

Inclusion is creating a deep sense of belonging, where each individual is valued, each one's ideas are heard and everyone advances this culture for everyone.





Our strategic approach to advancing diversity, equity and inclusion is a moral and business imperative and an essential part of our success. We strive to seamlessly infuse DEI into all business areas and across every region to drive impact through inclusive research, development, partnerships, charitable giving and suppliers. At the heart of this are our employees, because we know that bringing our diverse backgrounds, cultures, experiences and perspectives together is the best way to solve today's complex health problems and to create a healthier, more equitable world.

Wanda Hope

Chief Diversity, Equity & Inclusion Officer, Johnson & Johnson

Diversity, Equity & Inclusion

Our DEI Strategy

In 2021, we refreshed our <u>DEI</u> strategy to reflect our experiences, our learning, and the future state of the world in which we live and work. Specifically, we added a fourth strategic pillar with a focus on equity, making a commitment to transform our talent and business processes to achieve equitable outcomes for all.



Our third annual <u>DEI Impact Review</u> shares insights about the evolution of our DEI strategy and a wide range of stories of our progress throughout 2021 to advance DEI across the four pillars of our new strategy within our three business segments. See also our section on <u>Our Race to Health Equity</u> for ways in which we are helping eradicate racial and social injustice as a public health threat by eliminating health inequities for people of color in the U.S.



Y. Carter engages with an ERG and reflects on how she has grown her career, network and health journey.

Leveraging the passion and commitment of our employees to advance DEI:

28,100

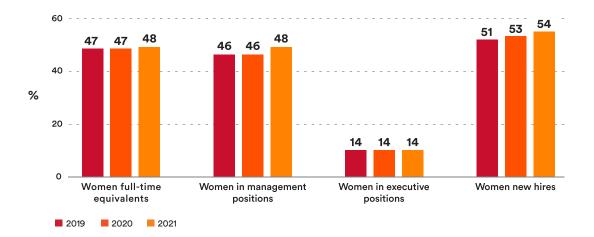
employees engaged in Employee Resource Groups (ERGs) **270** U.S. ERG

Chapters

208 non-U.S. ERG Chapters

Diversity, Equity & Inclusion

Gender Representation



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



^{*} Declined to answer figures and additional footnote considerations can be found in the Ethnic/Racial Diversity in the U.S. by Job Category table in the ESG Performance Data section of this Report.

Among our areas of progress in 2021:

Leadership accountability

- Provided resources and insights to hold leaders accountable, which led to improved diversity representation across several dimensions
- Expanded formal DEI accountability to all people leaders, including specific Vice President roles, which was supported by DEI goal-setting training conducted across the Enterprise

Programs, training & brand initiatives

- Piloted new conscious inclusion training in preparation for wide-scale delivery in 2022
- Introduced "Exploring Our Diversity," a global and immersive educational series to build greater cultural knowledge and understanding among our employees
- Drove several brand initiatives and innovation efforts to support inclusion of diverse populations
- Launched the Johnson & Johnson SkillBridge Program, a new talent pathway designed to support the career transitions of separating military service members across the Enterprise

Partnerships

- JLABS drove innovation with diverse communities through multiple QuickFire Challenges
- Enhanced focus on attracting diverse talent with new tools and collaborations, including a partnership with HBCU Connect to improve recruitment from Historically Black Colleges and Universities (HBCUs) students and alumni

As additional information, we have included our most recently filed U.S. Federal Employer Information Report EEO-1. Because federal reporting requirements group employees in the EEO-1 differently than the Company does in its Health for Humanity Report (which aligns with the Company's organizational structure and employee level or pay grade), the numbers are not directly comparable. While we are making the EEO-1 Report available, we believe the data as presented in our Health for Humanity Report is the most meaningful measure of our diversity progress.

Employee Attraction & Development

GRI 401-1, 401-2, 401-3, 404(103), 404-2, 404-3, SASB HC-BP-330a.1, HC-BP-330a.2

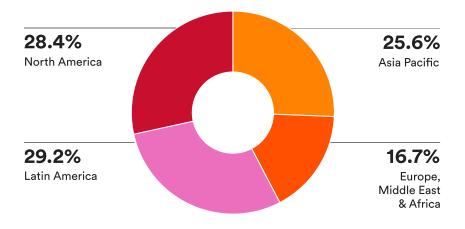
Our global employee base grew in 2021, adding thousands more individuals to our global team and engaging them in our mission to change the trajectory of health for humanity.

Attraction and recruitment:

Our recruitment efforts included outreach through a wide range of channels and partners to encourage a diverse representation of candidates, reflecting the communities we serve. Employee referrals generated a In 2021, we hired 22,543 new colleagues across the Enterprise, of whom 54% were women.

significant proportion of our hiring efforts, demonstrating employee confidence in Johnson & Johnson as an attractive workplace. In 2021, we maintained our Re-Ignite program, a paid returnship for experienced professionals ready to return to work after a career break of two years or longer, that includes mentoring, technical training and alumni guidance during the returnship period and offers a nurturing environment for returning employees to rebuild a meaningful career. Also, during the year, we introduced a digital-first onboarding experience, offering flexible orientation and training for those who joined our global team.

New Employee Hires by Region



Professional development: We continued to deliver our suite of leadership and other professional development programs that engage employees in improving their skills and competencies in line with career and personal growth objectives.

In 2021, we maintained a hybrid learning and development approach, with many of our programs being delivered virtually where in-person training venues were not possible due to local workplace guidance during the ongoing pandemic.

Two new programs were added in 2021 for senior leaders:

- The Global Business Consortium is a unique program hosted by the London Business School that brings together a network of companies and professionals to think differently and collaborate across industries to find innovative solutions to business challenges.
- The TRANSCEND program is a 15-month-long course developing leaders in entrepreneurship, ecosystem leadership, transformation and energy. It includes in-person residencies, a team-based action, a development workshop, virtual modules, coaching and engagements with leaders.

Our People Development Resources

For people leaders

- Leading People at J&J is designed to give new people leaders what they need to learn, grow and effectively lead each person on their team.
- Leadership Navigator—First 100 Days is an on-demand digital platform curated specifically for people leaders with a library of personalized resources, tools and videos available in 10 languages for the moments that matter.
- Leaders Developing Leaders offers an experiential and collaborative learning experience focused on building skills to become an inspirational and strategic leader.

For early career leaders

 Leadership Development Programs provide practical, real-world business experience while participants strengthen skills and develop as leaders.

For mid-career leaders

- Talent Acceleration Process is for mid-level leaders with upward potential for critical Enterprise roles.
- International Development Program accelerates readiness of upward potential leaders through an international stretch assignment.
- ASCEND GLOBAL accelerates select female mid-level talent in the Enterprise leadership pipeline through an immersive development experience.

- **RISE** is designed for high-achieving, mid-level racially and ethnically diverse talent with upward potential for more senior roles.
- ENERGY FOR PERFORMANCE helps participants to effectively manage and expand their energy so they can elevate their personal, and their team's, performance and productivity.
- Thriving Teams is a set of tools, resources and learning offerings to help teams and team leaders be highly effective in team-based environments and projects.

For senior leaders

- TRANSCEND is a journey designed to prepare high-potential executives who aspire to more senior roles.
- Accelerate Executive Orientation is designed for newly promoted or hired Vice Presidents in their first year in the role and provides an opportunity to develop capabilities in inspirational leadership and resiliency.

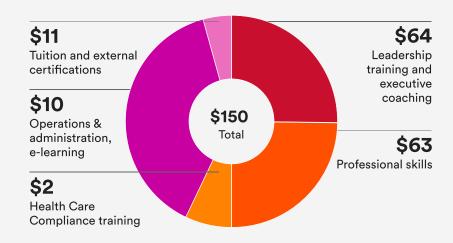
For all employees

- **BRIDGES** is a rotational development journey that aligns development and growth opportunities with unmet business needs.
- GROW is a short-term job experience program.

See our Position on **Employee Development** for details on the full suite of opportunities.

Employee Attraction & Development

Spend on Employee Learning and Development (Millions)



Professional development in 2021 included:

- Adding hundreds more individuals to our Enterprise Sponsorship Program, with success demonstrated by a high proportion of those sponsored experiencing career movement within two years of the program;
- Launching a new development program for manager-level diverse and underrepresented talent;
- Expanding our new development experience for first-time people leaders globally to enhance people management skills across the Enterprise; and
- Engaging thousands of employees in more than 70 countries in our LinkedIn Learning platform, accessible in different languages, with programs completed across a broad range of topics.

Employee compensation and benefits: Our compensation framework includes a set of core principles that guide all compensation decisions, recognizing the important contributions of our employees to deliver our mission in ways that align with our values. We are committed to pay equity, including gender and ethnic/racial 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, expanding our review to a wider



sampling of countries in 2021. Additionally, we completed our annual living wage assessment with the aim of ensuring all employees globally receive pay that is competitive in their local markets and sufficient to support a sustainable standard of living for them and their families (see section: Human Rights). In addition to salary and wages, our benefits packages aim to improve the quality of life for employees by providing support for family, health and well-being; education; and long-term financial management needs. We continuously review and update the range of benefits we offer in line with new needs as they arise, employee feedback and changes in market practices.

New hybrid working model: In 2021, in recognition of the new way of working, we initiated J&J Flex, a hybrid model that empowers our eligible office-based employees to find the right productivity and balance of in-person and remote work. This model allows for work to happen seamlessly across a variety of workplaces and is enabled by an array of enhanced collaboration tools and technology to optimize productivity and connection. J&J Flex rolled out in late 2021 globally and will continue deployment through 2022 as protocols and requirements related to the COVID-19 pandemic allow. We continue to evaluate flexible work strategies for our on-site workforce, such as virtual onboarding and

training, to help our employees balance their personal and professional lives. Also, we continued to enhance our benefits offerings with access to wellness tools, on-site vaccine clinics, mental health support resources and delivery of at-home testing kits.

During 2021, we also introduced a number of new benefits to support the well-being of our employees and their families (see section: Employee Health, Safety & Wellness).

1,929

new leaders participated in our Enterprise Leader Development Program in 2021, bringing the total number of leaders trained to date to 13.131 45.8%

of Managers and above moved across functions, country or business segment lines, building diversity of experiences*

1,189

employees in the U.S. and Puerto Rico participated in the tuition reimbursement program 94%

of employees completed year-end performance reviews

8%

voluntary turnover rate

^{*} Career progression movement includes upward promotion and lateral transfer and excludes employees in the R&D organizations.

Employee Engagement

Across Johnson & Johnson, employees find inspiration in Our Purpose to change the trajectory of health and leverage the platforms, tools and resources that we provide across the Enterprise to help everyone contribute effectively. We encourage open and inclusive communications so that everyone feels welcome to offer ideas and suggestions about how we can improve outcomes for patients and consumers as well as in the way we care for our communities and our planet.

Listening to our employees: In 2021, we conducted our biennial Our Voice Survey, which was administered in 77 countries and made available in 36 languages. In a year of continued unprecedented challenges, the Company achieved a significant participation rate and improved favorability, which reflects how we are fulfilling our commitments to our employees.

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. Our scores fall well above the median score of the 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 the corporate level and within individual teams.

Our Voice Survey Key Results

91%

Participation rate: (1% higher than 2019)

82%

Favorability rate: (2% higher than in 2019)

94%

agreed: I am willing to give extra effort to help Johnson & Johnson meet its goals.

91%

agreed: I would like to be working at Johnson & Johnson one year from now.

87%

agreed: I would recommend Johnson & Johnson as a great place to work.

In alternate years, we conduct Our Credo Survey, which tracks employee sentiment and feeling of being connected to our colleagues and our values.

Health for Humanity 2025 Goals **Our Employees** 4 QUALITY EDUCATION

Q

Women in STEM²D

→ On track

Progress: Reached 317,800 girls through 290 events and 240 STEM2D.org activities.

Women in STEM: Through our Health for Humanity 2025 Goals, we encourage our employees to play an active role in engaging with our nonprofit partners to expose more girls to science, technology, engineering, mathematics, manufacturing and design (STEM²D) activities in the knowledge that advancing gender equality in technical professions will both strengthen society and also build a stronger pipeline of diverse talent in these under-resourced professions, critical to advancing innovation in healthcare.

Our Women in Science, Technology, Engineering, Mathematics, Manufacturing and Design (WiSTEM²D) initiative supports youth, undergraduates, scholars and professionals and has been active since 2015. Through our WiSTEM²D Youth Pillar, where we seek to spark enchantment with STEM²D in young women and girls all around the globe through creative problem-solving and play, in 2021 more than 2,400 Johnson & Johnson employee volunteers directly engaged with approximately 300,000 girls. The program also indirectly engaged with more than 6 million girls through nonprofit partnerships and teachers across more than 30 countries.

Additionally, our WiSTEM²D University Pillar organizes events and activities with partner universities as well as internships, professional development programs and various other opportunities for students. In 2021, WiSTEM²D partnered with more than 65 universities and delivered more than 90 events, reaching more than 7,000 undergraduate university students.

Each year since 2017, we have selected female STEM²D tenure-track professors who are making key STEM²D discoveries as part of our ongoing WiSTEM²D Scholars Award Program. Each awardee receives a grant of \$150,000 and three years of mentorship. Despite research work being severely impacted by the COVID-19 pandemic in 2021, we received more than 430 applications from highly qualified nominees from around the world. With a focus on global diversity, more than 68% of applicants were from outside the U.S. We again selected six women scholars, whose work represents pivotal global innovations across diverse fields of interest for better healthcare outcomes.

Innovative research areas of Johnson & Johnson's 2021 WiSTEM²D Scholars

- Science: Image-based RNA mapping and sequencing for complex biological systems such as cancer and single viral species such as wastewater
- Technology: Off-grid solar membrane water treatment with the potential to convert seawater to fresh water
- nanotechnology and 3D cellular bioprinting
- the evolutionary dynamics of cancer and optimize cancer immunotherapy
- their harm to human and environmental health
- Design: Decoding the complexities of human hand function for assistive technologies



Employee Engagement

Recognizing employees: In addition to various awards and honors programs that recognize the contributions of our employees across different functions and regions, we maintain our global peer recognition platform, Inspire, which reaches all of our global workforce in 77 countries. During 2021, thousands of recognition moments celebrated meaningful contributions and purpose-led behaviors among our employees. In 2021, we expanded Inspire to include service anniversary and retirement awards for employees in the U.S. and Puerto Rico.

Keeping employees informed: In 2021, we launched a one-stop internal web page for information, tools and resources to support employees across all facets of human resources management, including benefits, compensation, health and well-being, learning and development, and more. This new tool has enhanced usability, searchability and overall employee experience and engagement with human resources content.

Engaging Employees for Healthy Communities

Johnson & Johnson's GCI organization drives our Talent for Good strategy to inspire our employees to help create healthy communities across the globe. Talent for Good offers a wide variety of engagement opportunities for employees, inviting each to take part at their preferred level of participation in a focus area of their interest. Programs include skills-based volunteering opportunities via short- and long-term programs with nonprofit community partners, quarterly giving drives to support local communities and hands-on volunteering through our Company-wide days of caring.

Talent for Good Program Overview



Level of Engagement

Employee Engagement

In 2021, we maintained our Talent for Good programs across the Enterprise, with most remaining virtual for the health and safety of our employees and partners. Hundreds of employees from around the globe took part in skills-based pro bono programs serving partner organizations across Talent for Good platforms.

An overview of programs and progress in 2021 includes:

- Bridge to Employment: engages employees as mentors to help high school students improve academic performance and learn about different career opportunities. The extension program, Pathway to Success, supports students through their college years, providing additional workshops and internships at Johnson & Johnson. In 2021, Johnson & Johnson employees volunteered more than 3,000 hours mentoring more than 800 students worldwide, and virtual internships were offered at different Johnson & Johnson locations.
- One Young World: engages employees to support frontline health leaders on various projects as well as provide guidance and mentorship, building young leadership capacity across the globe to change the trajectory of health. More than 130 employees engaged with the program, collaborating with 12 external scholars on projects addressing the front lines of care and providing mentoring/ coaching to participants.
- WiSTEM²D: engages employees globally to inspire young girls and women to enter STEM²D fields (see section: Women in STEM).
- Vital Voices Global Partnership: provides Johnson & Johnson employees
 with the unique opportunity to support women leaders by helping them build
 stronger, more effective organizations and improve their capacity as leaders.
 Through the <u>VV100</u> program, we supported women leaders at the forefront of
 change with more than 130 employee volunteers providing hundreds of hours of
 virtual consulting support to 40 women.
- Talent for Healthy Communities: creates greater engagement and awareness between employees and partners in the same local community through a hybrid pro bono program addressing critical capacity-building needs in that community. The 2021 program included 25 community partners and 133 employees from 27 countries.
- Global Pro Bono: engages employees in pairs with selected partner organizations working on the front lines of health to support them and build organizational capacity over a period of 12 weeks for 20% of their time. The 2021 program included 11 partners and 47 employees from all of our four geographic regions.
- Pro Bono for Health Equity: the newest Talent for Good program, launched in 2021, utilizes the skills and talents of Johnson & Johnson employees to build

- the capacity of U.S.-based Community Health Centers supporting communities of color. This program is part of <u>Our Race to Health Equity</u> commitment.
- Global Secondment Program: enables and empowers selected Johnson & Johnson employees to support partner organizations on the front lines of health to raise public health standards in communities around the globe by sharing their knowledge, skills and passions over a four- to six-month time frame.



By working in Johnson & Johnson, we acquire high-quality knowledge and experience, which allow us to provide added value—not only to the business, but also to these social organizations. It made me very happy to serve as team lead for Fundación Sangre Panama's project to define a communications and promotional plan for an app that improves this partner's community impact.

Francy Elena Ninco Polania

Trade Compliance Lead, Colombia, Supply Chain, Johnson & Johnson



Getting out of our comfort zones is very important for our personal and professional growth. To balance Global Pro Bono with my other projects, I awoke early each morning to dedicate time to my pro bono partner, Reach52, supporting the user experience of a portal for community health workers and community access managers. This adjustment to my usual morning routine changed my life in amazing ways, filling me with energy for my workday.

Yumiko Shimizu

Supply Chain Manager, Japan, Consumer Health, Johnson & Johnson

Engaging Employees for a Healthy Planet

WeSustain, our environmental sustainability employee engagement program, mobilizes passionate employees to improve the environmental health of the places where we live, work and sell our products. In 2021, the number of WeSustain teams active across 32 countries increased from 67 to 78. WeSustain teams are focused on taking action to protect the environment and human health by educating and inspiring other employees to adopt sustainable behaviors through their roles at work and at home. A few examples of how local teams brought unique sustainability engagements to life this year include:

- WeSustain Middle East initiated a four-month pilot to recycle a significant segment of the Ethicon portfolio.
- WeSustain Brazil organized an employee sustainability forum that attracted employees from all across the Latin America region to hear from internal and external thought leaders.
- WeSustain Japan focused on fostering a culture of sustainability through awareness and educational opportunities. In 2021, the team hosted several webinars and community activities, engaging thousands of employees throughout the year.
- WeSustain Guelph, Canada, partnered with a local community group to turn green space around our manufacturing site into a pollinator-friendly ecosystem.
 In early 2022, the site received certification from the Wildlife Habitat Council.

Additionally, during 2021, we facilitated employee education and engagement through the following programs:

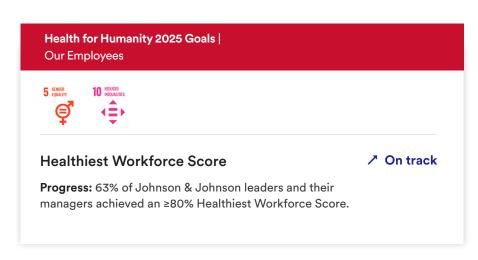
- We launched an optional self-paced online learning and development program on environmental sustainability and our environmental goals. Thousands of employees completed the program within six months of launch.
- We continued to activate our virtual platform, Healthy Planet, launched in 2020, to connect employees from across the world to share ideas and take environmentally sustainable actions through gamification. Customized campaigns, events and idea boards allow us to cover topics that range from water conservation, plastics and packaging, energy, climate and health, nature, and recycling cooperatives to circular economy. Employees completed more than 24,500 actions via Healthy Planet in 2021. Impact metrics from Healthy Planet illustrated employee-led savings, including reduced paper use, reduced trash, lower energy consumption and lower water use.

Employee Health, Safety & Wellness

GRI 403(103), 403-6, 403-9, 403-10

At Johnson & Johnson, our investment in employee health, well-being and safety is built on our conviction that advancing health for humanity starts with advancing and protecting the total health—physical, mental, emotional and financial—of our workforce. We aim to ensure that all our employees around the world, as well as temporary contractors and visitors to our sites, can work safely by providing robust safety programs, risk assessments, training and communications. We continuously expand health and well-being programs and benefits throughout Johnson & Johnson globally, incorporating new thinking and technologies to help employees achieve their personal mind and body health goals.

As we look toward 2025, we aspire to have the healthiest workforce, further embedding our culture of health throughout Johnson & Johnson and strengthening organizational capabilities in support of health and well-being. Through the continued expansion of our total health benefits, programs and offerings, we'll support the physical, mental and emotional well-being of our workforce to continue to meet their needs, regardless of where they are in their health journey. Our Health for Humanity Annual Healthiest Workforce Score will help us track our success in fostering the world's healthiest workforce.



In 2021, we identified our Healthiest Workforce Score metrics and set our baselines for measurement. The core metrics that influence the Healthiest Workforce Score include:

 Measurement of employee perception of total health and well-being support from senior leadership;

- Reinforcement of the energy management principles to support health and wellbeing across the workforce; and
- Mitigation of workplace risks and ensuring employee health protection through the implementation of corrective and preventative actions.

Global Employee Safety*



* See the Employee Safety table in the <u>ESG Performance Data</u> section of this Report for footnote considerations related to Global Employee Safety data.

Notable areas of progress in health, safety and wellness in 2021 included:

Ongoing safety during the pandemic: Protecting and supporting our employees during the COVID-19 pandemic continues to be a top priority and our approach includes: keeping employees informed of local COVID-19 transmission rates and corresponding risk levels; promoting the health and safety of our employees in the workplace through robust layers of protection; enhanced cleaning and access to cleaning supplies and PPE; supporting employees with pay continuity, benefits and well-being tools; providing a Global Recharge Day for additional time off to rest, recover and build resilience; and recognizing extraordinary employee contributions at work and in our communities. In addition, as COVID-19 vaccines were broadly distributed and administered in 2021, we adopted policies in the U.S., Puerto Rico and certain other countries to require proof of vaccination from Johnson & Johnson employees and contingent workers, where permitted by local law and regulation.

Supporting our superheroes: We continued to offer one additional working week of paid time off for tens of thousands of essential on-site employees and a paid-leave program for our medical staff who want to volunteer on the front lines against COVID-19.

New benefits to support employee well-being:

- In 2021, we announced the extension of our paid parental leave benefit from eight weeks to 12 weeks for all eligible employees globally to be implemented on a phased basis in 2022 to all our regions.⁴⁸
- Bereavement leave was extended from three to five days for employees in the U.S. and Puerto Rico.
- We launched a Military Spouse Time-Off Policy for employees in the U.S. and Puerto Rico, which provides up to 10 days of paid time off for eligible military spouse employees when their families experience challenging situations arising from military service.
- We updated our Military Leave Policy to enable National Guard and Reserve service member employees in the U.S. and Puerto Rico to receive full pay and benefits during military leave for a maximum duration of three continuous years—an increase from the previous two-year maximum.
- We expanded our Global Exercise Reimbursement, a popular benefit with tens of thousands of employees, to include additional virtual subscriptions and at-home equipment. We continue to evolve the reimbursement beyond exercise to support total well-being.
- We piloted a new Employee Mental Well-Being Training to educate and empower employees to prioritize their mental well-being and support their colleagues to do the same.

Digital health and well-being support: Digital health and well-being tools continued to support employees to stay physically energized, emotionally connected and mentally focused. This included the expansion of the online confidential health risk assessment that helps employees understand how lifestyle choices, health status and behavior influence their current and future well-being and learn how to address modifiable health risks.

Global Activity Challenge: Our sixth annual 30-day Global Activity Challenge engaged more than 29,000 participants in 74 countries, encouraging employees to be physically energized, reduce stress and boost their total health.

Energy management: Our enterprise-wide ENERGY FOR PERFORMANCE program helps employees manage their energy capacity so that they can be their best at work and in life. We have consistently expanded the use of this program and introduced virtual courses to continue to deliver this important training during the pandemic. In 2021, 9,816 employees completed ENERGY FOR PERFORMANCE courses.

Read on in this section to learn about our progress in:



An engineer at our Cork, Ireland facility, in front of a wind turbine, designed to reduce site-specific electricity costs.

Environmental Health

GRI 307(103), 307-1

At Johnson & Johnson, we understand that human health and environmental health are fundamentally linked—healthy people need a healthy planet. We are marshaling our resources, expertise and convening power to positively impact planetary health while also ensuring the resilience or our business for generations to come. This commitment includes continually striving to improve the environmental footprint of our operations, our products and our value chain while working with like-minded partners to tackle today's global health challenges at the intersection of human and environmental health.

The latest Intergovernmental Panel on Climate Change (IPCC) report, released in February 2022, noted: We now know that a healthy planet is fundamental to secure a liveable future for people on Earth and that's why we say that the needs of climate, nature and local communities have to be considered together and prioritized in decision making and planning—every day and in every region of our world.⁴⁹

66

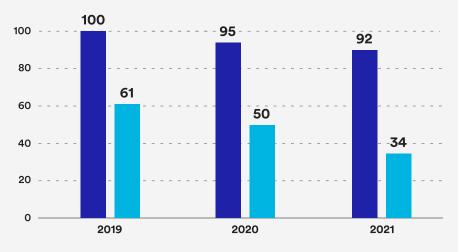
At Johnson & Johnson, our commitment to the health of our planet is grounded in Our Credo values that say we must protect the environment and natural resources we are privileged to use and is inspired by Our Purpose to change the trajectory of health for humanity—because we know healthy people need a healthy planet. That is why in addition to the decades of effort to improve the environmental performance of our business, we also work with partners to make a difference beyond our value chain, advancing solutions that help improve the health of people and our planet.

Paulette Frank

Chief Sustainability Officer, Johnson & Johnson

Our Environmental Health and Safety (EH&S) Standards reflect industry best practices and aim to ensure that all Johnson & Johnson entities around the world are compliant with applicable environmental laws and regulations and that they maintain consistently high-quality EH&S performance in line with our goals and the multiple metrics that we track at every facility and through our supply chain (see section: Responsible Supply Base).

EH&S Governance Indicators*



■ Number of manufacturing and R&D sites certified to ISO 14001 ■ Number of environmental non-compliances

Our Health for Humanity 2025 Goals include three ambitions

Our Goals are aimed at reducing our carbon footprint and doing our part to address one of the greatest global public health challenges of our time—climate change. In parallel, we drive improvements across resource consumption and product development and packaging optimizations as part of our ongoing environmental sustainability activities.



^{*} See the EH&S Compliance and Certifications table in the <u>ESG Performance Data</u> section of this Report for footnote considerations related to EH&S Governance data.

Climate Change

GRI 102-11, 201-2, 302(103), 302-1, 302-3, 302-4, 302-5, 305(103), 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7

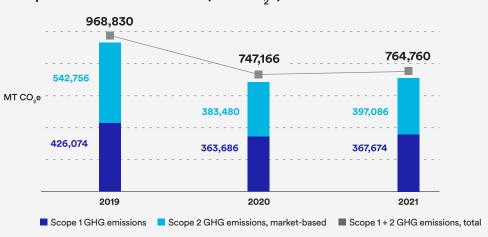
Johnson & Johnson is committed to helping mitigate our impact on climate change and climate change's impact on our business and society. To do our part to help maintain a healthy climate, we take a holistic approach that includes improving the footprint of our operation and value chain, supporting policies that aim to achieve a low-carbon economy, and working with others to drive impact at scale. We have made significant progress against our Health for Humanity 2025 Goals that focus on carbon neutrality and renewable electricity. We will also continue to engage our upstream suppliers in emissions reductions associated with our procurement practices and recognize we must continue at a pace to meet our commitments.

3 ADD WELL-BEING 7 CLEAN DRIFTOY 11 SM	TRANSPECTORS 12 RESPONSIVE TO A CAMBRILL TO	
Renewable Electricity	Progress: Produced or procured 52% of electricity from renewable energy sources. Signed four new renewable Power Purchase Agreements (PPAs)—one in North America and three in Europe—as well as two Utility Green Tariff contracts in the U.S.	→ On track
Carbon Neutrality for Our Operations (by 2030)	Progress: 34% reduction in Scope 1 + 2 carbon emissions vs. 2016 baseline. Carbon credits were not utilized towards this reduction.	✓ On track
Scope 3 Emissions Reductions (by 2030)	Progress: +1% increase in greenhouse gas (GHG) emissions – Scope 3 (upstream) vs. 2016 baseline. Initiated execution road maps and enhanced data methodologies.	✓ On track

Our operational (Scope 1 + Scope 2) emissions goal has been validated by the Science Based Targets initiative (SBTi) as being consistent with the reductions required to keep global warming to 1.5°C, and our operational carbon neutrality goal goes beyond what the latest climate science deems necessary to meet the goals of the Paris Climate Agreement. Our value chain (Scope 3) emissions goal has been validated by SBTi as being consistent with a 2°C reduction scenario, and we will be reevaluating this goal based on the guidance from SBTi issued in 2021.

Through our due diligence and continuous improvement process, we are evaluating potential additional sources of greenhouse gas emissions within our manufacturing processes. We will report additional greenhouse gas emissions, if material, in future disclosures.

Scope 1 + 2 GHG Emissions (MT CO_ae)*



* See the Greenhouse Gas (GHG) Emissions table in the <u>ESG Performance Data</u> section of this Report for footnote considerations related to Scope 1 + Scope 2 emissions data.

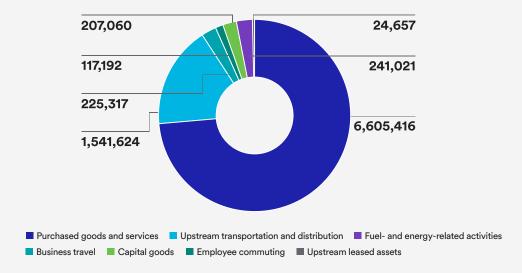
DISCOSURE INSIGHT ACTION
A LIST
2021
CLIMATE

Johnson & Johnson was recognized with a CDP A List rating in 2021 for our leadership in climate action for the fourth consecutive year.

Scope 1 + 2 GHG Emissions Intensity by Revenue



Upstream Scope 3 GHG Emissions (MT CO₂e) by Source*

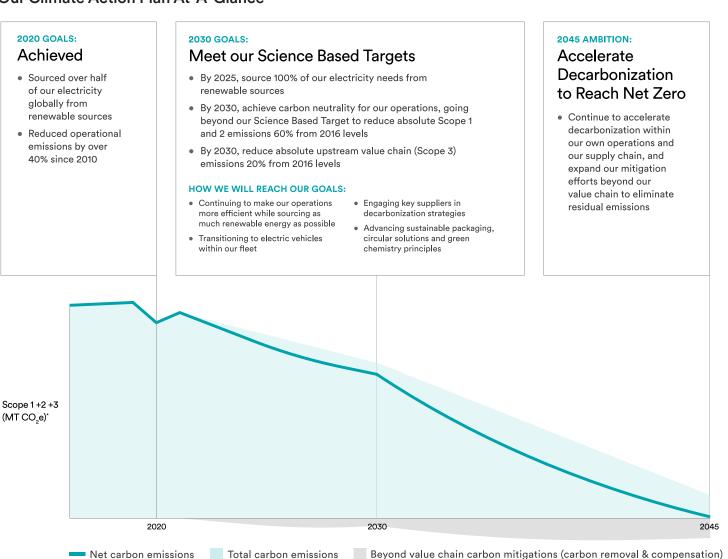


^{*} Waste generated in operations of 8,759 MT CO₂e was excluded from the donut chart because of scale. See the Greenhouse Gas (GHG) Emissions table in the <u>ESG Performance Data</u> section of this Report for additional footnote considerations related to Scope 3 GHG emissions data.

To achieve carbon neutrality, we will make further investments in energy efficiency, alternative fuel sources and environmentally preferred fleet vehicle choices while expanding our use of renewable energy. To reduce upstream emissions, we will partner with our key suppliers to encourage them to reduce their emissions. We will balance any remaining carbon emissions by supporting solutions that accelerate nature's ability to remove carbon from the atmosphere.

Johnson & Johnson is a signatory of the UN-backed Race To Zero campaign and SBTi Business Ambition for 1.5°C, with an ambition to reach net zero emissions across our value chain by 2045.

Our Climate Action Plan At-A-Glance



^{*}This visual representation is illustrative only and includes all GHG categories except indirect downstream use of sold products.

Each year, the U.S. Environmental Protection Agency (EPA) recognizes the top 1% – 2% of EPA SmartWay Partners with a SmartWay Excellence Award for their achievements. In 2021, Johnson & Johnson received the EPA SmartWay Excellence Award for outstanding environmental performance and climate-efficient transportation for the eighth time. More than 97% of Johnson & Johnson freight in North America is transported with SmartWay-registered carriers with a strong record of fuel efficiency and GHG reduction.

Capital expenditure for energy efficiency: Energy efficiency programs at our most energy-intensive manufacturing and R&D sites are allocated up to \$40 million per year in capital relief through our CO₂ Capital Relief Program, for energy projects that demonstrate potential CO₂ savings and a financial return of at least 15%.

CO₂ Capital Relief Program Overview (2005 – 2021)*

291

projects approved

\$87 million

annual energy cost savings

260

projects completed

2,512

TJ annual energy savings

\$470 million

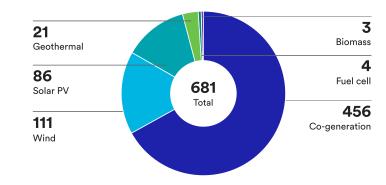
total spent on completed projects

313,965

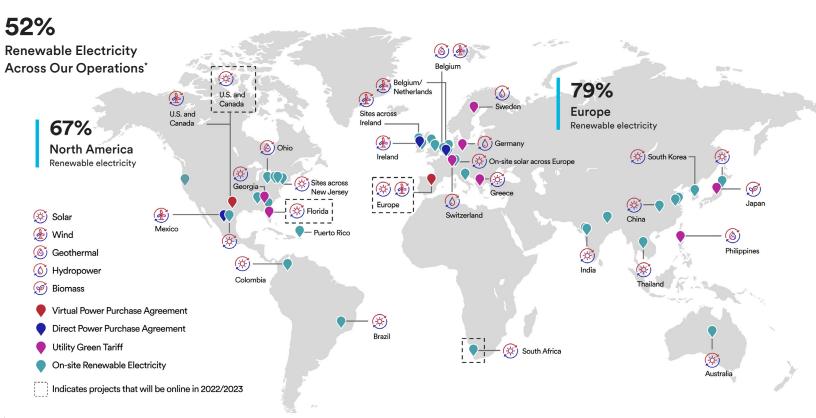
MT CO₂ annual GHG emissions avoided

Renewable electricity: Generating and procuring renewable electricity has been a critical element of our energy program for two decades. Johnson & Johnson maintains more than 50 on-site renewable energy systems in 17 countries and has executed multiple deals for off-site renewable electricity procurement. In 2021, Johnson & Johnson signed four new renewable Power Purchase Agreements (PPAs)—one in North America and three in Europe—as well as two Utility Green Tariff contracts in the United States. These agreements, and our prior renewable electricity efforts, are expected to provide the equivalent of 100% renewable electricity for our operations in the United States, Canada and Europe by 2023.

On-Site Generated Energy Use by Type (TJ)*



*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.



^{*} Percentage of electricity used by Johnson & Johnson that is generated from renewable sources. Europe includes Belgium, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Spain, Sweden, Switzerland and the United Kingdom. North America includes United States and Canada only.

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

Contact lenses made with renewable electricity: With our new renewable agreements, Johnson & Johnson Vision will be powered entirely with 100% renewable electricity. That means all ACUVUE brand contact lenses will be made using 100% renewable electricity, since Johnson & Johnson Vision's production site in Limerick, Ireland, is already powered by 100% wind.



As a leader in the healthcare industry, we're guided by our strong sense of purpose, helping people around the world see better, connect better, live better. That commitment extends to how we innovate to support the health of the planet, and that includes making all our contact lenses with renewable electricity.

Peter Menziuso

Worldwide President, Johnson & Johnson Vision

Expanding solar energy: We continued to expand the installation of on-site solar arrays at our facilities, with new installations in 2021 in China, Colombia, South Africa and Thailand. New this year was the introduction of on-site PPA structure in the form of multiyear "energy as a service" contracts at two sites, enabling GHG-reduction benefits without the need for capital investment. At one of the largest manufacturing sites in South Africa, the Cape Town installation represented the first renewable electricity initiative for Johnson & Johnson in South Africa.

Reducing carbon emissions by land, air and sea: As part of our ongoing efforts to leverage data science across our operations, in 2021, we automated a manual freight load planning process to produce a 3D loading plan that optimizes space utilization of shipping containers, resulting in lower GHG emissions from shipping, a faster loading process and cost savings. In Europe, we identified opportunities to switch deliveries from our Belgium distribution center to Denmark, France and Spain from air to road—significantly reducing the carbon emissions with minimal impact to customer service.



Johnson & Johnson Consumer Health, Bangkok, Thailand.



Our teams are finding creative ways to supply renewable energy, both on-site and off-site, to bring us closer to our climate goals. On the demand side, our designers and engineers are using innovative technologies and techniques to decrease the amount of power needed to run global operations, even as Johnson & Johnson continues to grow.

Paul Gioioso

Vice President, Engineering & Property Services, Johnson & Johnson

Eliminating ozone-depleting substances: Chlorofluorocarbons have been eliminated from use in our facilities for several years. We plan to eliminate the use of hydrochlorofluorocarbons (HCFCs) by the end of 2025, or earlier where required by government regulations, and in 2021, all Johnson & Johnson manufacturing sites were required to prepare an HCFC phase-out plan.

Green Building

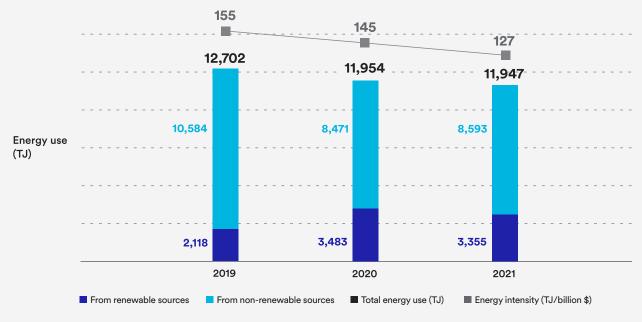
We continue to pursue Leadership in Energy & Environmental Design (LEED) certification or equivalents (for example, Building



Johnson & Johnson's site in Irvine, CA, which is our 60th LEED-certified site.

(for example, Building
Research Establishment Environmental
Assessment Methodology [BREEAM]).
In 2021, we added seven LEED certifications
and one recertification across our facilities,
bringing our total at the end of 2021 to 67
LEED-certified and BREEAM-certified
Johnson & Johnson sites. More than 9.4
million square feet of Johnson & Johnson
workspace is now LEED-certified.

Energy Use & Energy Intensity*



^{*} See the Energy Use table in the ESG Performance Data section of this Report for footnote considerations related to Energy Use data.

At Johnson & Johnson, we are continuously evaluating climate-related risks and opportunities to strengthen our business and to ensure that we can continue to meet our patient and customer needs. In 2021, we undertook a focused assessment of the potential physical climate-related risks on our own properties and certain supplier locations. We identified several opportunities to improve business resilience such as access to reliable energy and water supply in the event of a disruption that we will build into our long-range capital planning process. Several projects are planned and budgeted, including a potable water tank, storm water pumps and additional emergency generation.

Partnering for climate action: In 2021, we further engaged in partnerships and coalitions to help make a positive impact on the health of our climate beyond our value chains. Four examples include:

- Becoming a Sustaining Sponsor of the Beyond the Megawatt Initiative of the Clean Energy Buyers Alliance. This initiative is advancing several projects designed to help mobilize deeper environmental and social impacts in large customer energy procurement with a target outcome of contributing to carbon-free energy systems that are resilient, equitable and environmentally sustainable.
- Joining the International Leadership Group for a Net Zero National Health Service (NHS) and signed an open letter with other leading CEOs to show our support for the UK NHS climate plan.
- Aligning with more than 400 corporations and investors to sign an open letter to President Biden
 calling for an ambitious U.S. emissions reduction target. The initiative was led by the We Mean
 Business Coalition.
- Participating with nine pharmaceutical companies to launch <u>Energize</u>, an initiative to help
 decarbonize the global pharmaceutical supply chain. The program aims to educate key industry
 suppliers on renewable procurement opportunities and help them in their transition to
 renewable energy.



Water & Waste Management

GRI 303(103), 303-1, 303-2, 303-3, 303-4, 303-5, 306(103), 306-1, 306-2, 306-3, 306-4, 306-5, SASB CG-HP-140a.1, CG-HP-140a.2

We continue to advance initiatives across all our facilities and throughout our supply chain to minimize our impacts on the planet through responsible use of water, avoidance of waste and reduction of waste sent to a landfill.

Examples of progress at our facilities in 2021 include:

Johnson & Johnson was recognized with a CDP Arating in 2021 for our leadership in water security. Reusing wastewater in Canada: Our team at our facility in Guelph, Canada, completed an investment in a skid-mounted wastewater treatment system that uses reverse osmosis to purify the wastewater. With this new system, the site can reuse nearly all the wastewater generated during manufacturing to feed boilers for heat in winter and to support cooling towers in the warmer months. Overall, the site is expected to reuse approximately 10 million liters of water each year. This initiative won an award from the City of Guelph's Water Smart Business Program.

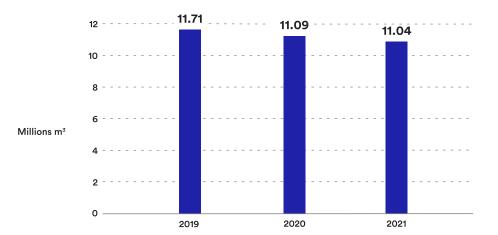
Using remediated ground water in Belgium: In 2021, at our facility in Beerse, Belgium, an innovative project helped the site reduce purchased potable water volumes to the lowest level in 20 years. Traditionally, potable water had been used in the site's cooling towers, which consumed large amounts of water, especially in the summer when requirements are highest. After extensive testing and evaluation of a range of processes, a solution that replaced potable water with groundwater from an on-site soil remediation project was adopted and then supplemented by rainwater captured in the winter season. As a result, the site was able to reduce water withdrawal from the municipal water grid, helping safeguard potable water levels supplied for the local community.

Aligning with external water and waste standards: As part of our continuous improvement to measure and minimize our water and waste impacts, we are working toward achieving certification across selected facilities to two industry-leading tools and standards:

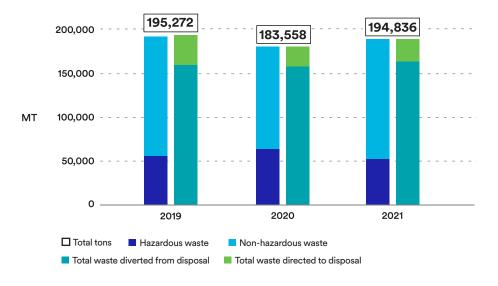
- the international Alliance for Water Stewardship Standard, which addresses sustainable water management,
 water dependencies and impacts, responsible water procedures, and building relationships with local water-related stakeholders; and
- Green Business Certification Inc. (GBCI) TRUE Zero Waste certification, a program that rates how well facilities perform in minimizing their non-hazardous, solid wastes and maximizing their efficiency in the use of resources.

In France, Johnson & Johnson started collecting fiber waste generated during the production of tampons for resale to make floor mops. Previously, these fibers were incinerated. So far, more than 500,000 mops have been made.

Total Water Withdrawn



Operational Waste



Product Sustainability

We are committed to developing more sustainable products that use fewer and more sustainable resources to support the health of people and our planet. We examine product environmental impacts across product categories and platforms. We also examine impacts across all stages of the product lifecycle, including design, development, procurement, manufacturing, distribution, use and end of life. We then focus on the product categories, platforms and lifecycle areas with the highest potential impact and prioritize improvements that can be implemented across multiple products to enable the greatest possible improvements.

Green Chemistry

Our R&D teams continue to integrate principles of green chemistry and engineering to develop our medicines. In 2021, for example, for application in our late-stage product portfolio, we achieved process intensification and highly efficient processes via biocatalysis and organocatalysis. Biocatalysis and organocatalysis enable a reduction in the use of organic solvents and generate lower levels of organic waste, resulting in fewer GHG emissions. In 2021, this new green chemistry process was introduced at selected Johnson & Johnson sites. We also collaborate widely with our suppliers to identify and evaluate green chemistry options across many manufacturing processes.

Sustainable Packaging & Recycling

Packaging plays a critical role in maintaining the quality, safety and integrity of our products throughout our value chain. We comply with applicable packaging regulations in all the countries where our products are sold while aiming to reduce overall packaging materials, increase the recycled content of our packaging and improve recyclability of packaging materials across all our business segments. Specifically, in our Consumer Health business, as part of our Healthy Lives Mission, we have set goals to reduce packaging waste, and we have driven many packaging improvements (see section: Consumer Health). Examples from our Pharmaceutical and MedTech segments include:

• Pharmaceutical: For all markets, the plastic trays used in our TREMFYA One Press line were replaced with a Pulp Injection Molding (PIM) tray. Extensive testing and evaluation of the material was required to obtain new material certifications and regulatory approvals, as injection-molded pulp had not been used previously in pharmaceutical industry packaging. This was a significant breakthrough in pharmaceutical packaging, particularly since PIM trays can be disposed of through regular cardboard recycling waste streams, available in most countries. We aim to convert all our self-injectable device platforms to PIM trays by 2025.

• MedTech: DePuy Synthes reduced primary packaging weight across a range of packaging platform solutions, including SYNTRAY, SYNSIGHT and PLATOON, while also reducing the size of the packages. ETHICON VISTASEAL, a fibrin sealant for surgical use, was launched with new packaging that is half the size and half the weight of the original, resulting in a significant reduction in waste and in storage space.

Partnerships for circularity: In 2021, we continued to engage with partners on projects that advance a circular economy, for example:

- The Healthcare Plastics Recycling Council and the Sustainable Healthcare Coalition, collaborating with industry leaders to increase healthcare recycling, reduce waste and elevate sustainability in global health systems.
- As a member of the European Federation of Pharmaceutical Industries and Associations (EFPIA), companies strive to invent, produce and distribute new medicines and vaccines in a safe and environmentally responsible manner. One of the key pillars is to transition to a circular economic model by proactively innovating and expediting circular principles and remove regulatory blockers across the pharma value chain.



For additional partnerships, see Consumer Health.

Products in the Environment

We recognize that the products we create to help patients, doctors and consumers can have environmental impacts after use. We, therefore, assess the end-of-life and post-use impacts of our products and develop category-specific action plans to improve performance over time, as necessary.

Pharmaceutical products: We are an active and founding member of the Antimicrobial Resistance Industry Alliance (AMRIA) and we collaborate across the industry to address AMR (see section: Antimicrobial Resistance).

Pharmaceutical products take-back: In 2021, we relaunched our SAFE RETURNS program in the U.S. for home-administered immunology products, following a full redesign of the program to improve convenience and sustainability for patients. A significant feature of the redesigned program is the removal of the hazardous material classification due to the needle-safe authorization, thereby eliminating the need for patients to prepare special paperwork for handling by mainstream postal services. Additionally, the new system uses paper envelopes to return the devices after use instead of bulky plastic containers that were previously used. We intend to expand this program to nine countries in Europe in 2022. In parallel, we are developing our capability to disassemble the collected devices from the SAFE

RETURNS program to close the loop and reuse or recycle the materials and components, something that has not yet been fully achieved in the pharmaceutical industry.

MedTech: To reduce the impact of medical device parts in the environment, J&J MedTech offers reprocessed, single-use devices manufactured by Sterilmed, Inc., a part of the Johnson & Johnson Family of Companies. In line with local laws, J&J MedTech also offers reprocessed products from other original manufacturers as well to provide a broad opportunity for customers to meet their needs in an environmentally responsible manner.

0.93 million medical devices collected and 0.39 million reprocessed in the U.S. and Canada in 2021

Bronchoscope reprocessing program: With traditional bronchoscopes, the hospital owns and manages the scope through its entire lifecycle, and the hospital must reprocess the scope between each clinical case. MONARCH READY is a novel bronchoscope sustainability program where Auris Health handles the service, maintenance and reprocessing of bronchoscopes and in doing so, maximizes the useful life for each bronchoscope while maintaining the highest standards for quality and device performance.

Reprocessing microlumen devices: Medical devices that have complex features and functionalities make reprocessing of these high-tech products increasingly challenging. Reprocessing medical devices that contain microlumens, in particular, have a higher degree of difficulty and risk due to the requirement of ensuring the lumen is completely clear of all soils and particulates, including very small 50 micron and larger microparticles that must be cleared to ensure patient safety. Sterilmed recently developed a new patent-pending test method for reprocessing microlumen devices that can detect microsized particles to ensure the lumen is clean and clear for all devices that pass this test—allowing us to reprocess these devices.

Surgical device recycling: Our initial pilot program in one hospital in Germany to recycle disposable medical instruments designed for single use was expanded to six clinics in 2021 and will be extended in Germany nationwide. The program allows hospitals to recycle metal and plastic components from Ethicon singleuse surgical instruments while digitally capturing and communicating the environmental impact of salvaging materials such as steel, titanium, aluminum, copper and chrome steel as well as a variety of plastics. The recycling initiative is now being introduced as a pilot in several additional countries across Europe.

Read on in this section to learn about our progress in:

Supplier Engagement

Supplier Diversity

Responsible Sourcing

Quality Management

Medical Safety

Counterfeiting & Illicit Trade



Javier M., Senior MRP Planner Advanced Therapies, ensured temperature control throughout the delivery of personalized CAR-T therapies to cancer patients.

Accountability & Innovation

Throughout our business, our commitment to science and data-driven decision making, compliance, integrity and responsible business practices are embedded across the Enterprise. By accepting personal accountability to uphold Our Credo values, we create a culture in which everyone supports Our Purpose to profoundly change the trajectory of health for humanity. We do so in an ethical manner and through continuous improvement that drives innovation in our systems, processes and practices. We expect all employees at Johnson & Johnson to help us sustain the trust earned over the course of 135 years of business operations. Running a responsible business is an essential driver of value creation, and our stakeholders expect it.

Our approach is to effectively manage <u>ESG</u> risks while delivering value for our stakeholders. Our commitment to R&D and innovation is key to our important breakthroughs in health for humanity (see section: <u>R&D Innovation</u> for details of progress across our diverse innovation channels). Throughout our operations, we adhere to strict quality standards at every stage of the product lifecycle. We rely on ethically led, science-driven decision making in all matters relating to medical safety and strive to protect our patients and consumers from counterfeit and illicit trade. We are committed to respecting the human rights of individuals throughout our value chain, including through our supply base by maintaining ethical supplier standards and sustainable sourcing.



Trust is at the heart of our business at Johnson & Johnson. Being a trusted corporation, employer, business partner and provider of high-quality products for our patients and consumers is critical to our ability to address today's most pressing health challenges with bold action and innovative approaches. Without accountability, there is no trust. That's why holding ourselves accountable is a foundational element of our strategy and essential to our ongoing success.

Vanessa Broadhurst

Executive Vice President, Global Corporate Affairs, Johnson & Johnson



Operational Innovation

Beyond the innovation we deliver in our Pharmaceutical, MedTech and Consumer Health business segments (see section: R&D Innovation), innovation underpins the way we work, the way we manage our operational facilities and the value we create across every business function. In 2021, as in every year, we advanced multiple innovations throughout our operations. Some examples follow:

Advanced manufacturing technologies: In 2021, Johnson & Johnson received three new World Economic Forum Global Lighthouse designations for its use of advanced manufacturing technologies. The three designations recognized were:

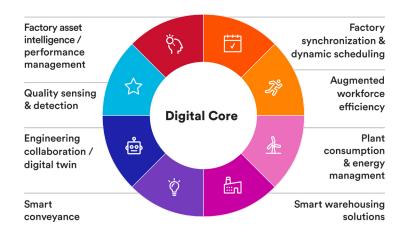
- Vision Care order-fulfillment operations, in London, UK, developed a dynamic virtual call center that relies on advanced technology such as intelligence-based call routing and auto answer. The technology anticipates customer reorder behaviors and reserves lenses for them, which improves customer service levels.
- Consumer Health, in Helsingborg, Sweden, addressed customer needs through
 increased agility using digital twins, robotics and high-tech tracking and tracing
 to enable volume growth, accelerated time to market and cost reductions,
 alongside investments in green tech, to become Johnson & Johnson's first-ever
 carbon neutral facility.
- DePuy Synthes Advance Case Management Lighthouse, in North America, leveraged open application programming interface architecture, machinelearning algorithms and a suite of digital tools across our hips and knees restoration implant portfolio value chain. This enabled a reduction of the number of instrument trays in operating rooms, simplified inventory management for healthcare providers and shortened the time to set up operating rooms, saving valuable hospital resources.

As of December 31, 2021, Johnson & Johnson had seven Lighthouse designations—the highest number of any company globally.

Reducing release times for medicines: Janssen developed and adopted a new process for real-time product quality release based on surrogate dissolution modeling. This model calculates the expected dissolution of a tablet without the need to physically dissolve the tablet in dissolution media, significantly decreasing release times by up to 50%, reducing the standard deviation of product release by up to 90%, optimizing inventory levels by up to 15% and reducing operational

costs across all product lines. This is the first use in the pharmaceutical industry of real-time release testing in established batch-manufacturing processes in place of traditional laboratory release testing and has been approved by the <u>FDA</u>, the <u>EMA</u> and Health Canada for use in different products. We plan to roll out this innovative process globally in 2022.

Expanding smart manufacturing: Through our collaboration with Microsoft, Johnson & Johnson's Supply Chain Technology organization continues to accelerate the efficiency of our processes as part of digital manufacturing transformation. Using a range of digital and cloud-based capabilities, we are enabling business innovation and improving agility and disaster recovery while reducing overall operational costs. See our suite of smart manufacturing capabilities represented in the graphic below:



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We are in an era of unprecedented product and process complexity, along with increased customer expectations and new demand. We are transforming our manufacturing capabilities to be increasingly connected, intelligent, lean and networked.

Arun Kumar Bhaskara-Baba

Vice President, Global Manufacturing Technology, Johnson & Johnson

Personalized MedTech solutions: We leveraged state-of-the-art solutions throughout our Johnson & Johnson MedTech manufacturing and supply chain, following the implementation of innovative manufacturing capabilities at 14 J&J MedTech sites. Implemented in collaboration with Jabil Healthcare's Medical Devices sector, this transformation included personalized medicine solutions, allowing for the manufacture of implants that are customized for the patient at several facilities. For example, at our Mezzovico site in Switzerland, operating surgeons can now provide scans for individual patients that enable the production of patient-specific craniofacial and mandible implants in less than two days.

Improving access to healthcare information: Johnson & Johnson became the first healthcare company to introduce an Enterprise e-labeling solution based on the GS1 Digital Link Standard to provide electronic information across the industry. Initially implemented to support the launch of a key oncology product in Singapore, scanning a barcode on our product enables users to view its electronic leaflet containing important healthcare information. Instant digital access to information enables HCPs to make informed decisions when treating their patients and contributes to patient safety, enhanced supply chain security, efficiency and accurate data sharing.

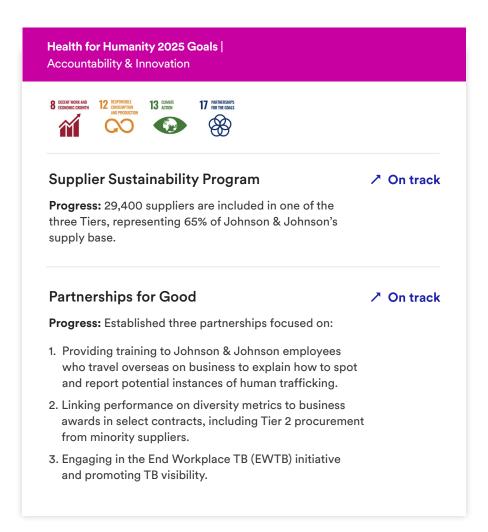
Johnson & Johnson was ranked #3 for the second year in a row on the 2021 Supply Chain Top 25 list by Gartner, Inc., which evaluates supply chains across all industries based on business and financial data, ESG metrics, and community opinion of expert analysts and peer votes.

In addition, for the fourth year, Johnson & Johnson was named #1 on Gartner's annual Supply Chain Top 25: Life Sciences list in recognition of our supply chain's commitment to getting ahead of evolving customer needs while continuously improving our foundations.

Responsible Supply Base

GRI 102-9, 204(103), 204-1, 205-2, 414(103)

Our extended supply base comprises more than 45,300 suppliers across our three business segments. A critically important link in our value chain, Johnson & Johnson's supplier network underpins our business continuity and enables us to manufacture and deliver essential products and services to our patients, consumers and customers. We aim to maintain collaborative and trusting supplier relationships and encourage a broad diversity of suppliers to work with us. Through our Responsibility Standards for Suppliers, our Supplier Sustainability Program (SSP) and our Global Supplier Diversity & Inclusion program, we manage our supply base in line with Our Credo values.



Supply chain organizations are poised to drive meaningful growth for their companies as they improve digital capabilities across operations, enhance resilience to respond nimbly to inevitable challenges and build full transparency into all aspects of the supply chain. At Johnson & Johnson, we invest in these capabilities across our complex supply network.

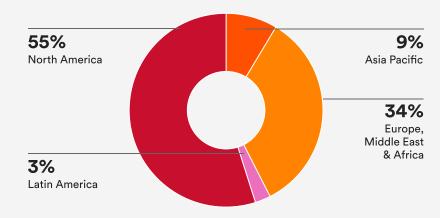
Kathy Wengel

Executive Vice President & Chief Global Supply Chain Officer, Johnson & Johnson

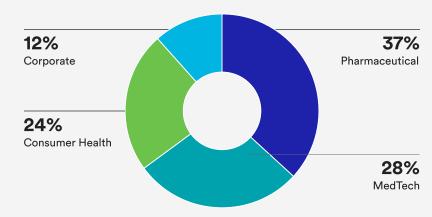
>45.300 suppliers globally

\$34.8 billion total supplier spend*

Supplier Spend* Contracted by Region



Supplier Spend* Contracted by Business Segment



^{*} Represents spend we have control over/addressable spend, defined as products and services that procurement teams can negotiate with suppliers to meet business goals.

Responsible Supply Base

Supplier Engagement

GRI 308(103), 308-1, 308-2, 407-1, 408-1, 409-1, 412-1, 414-1, SASB HC-MS-430a.3

We enroll suppliers in our <u>SSP</u> based on a number of risk metrics as well as the size of their business with us. The SSP requires, among other things, suppliers to conform to our <u>Responsibility Standards for Suppliers</u>, and all suppliers in the program regularly complete an assessment by EcoVadis, a recognized provider of business sustainability ratings for global supply chains. See section on <u>Responsible Supply Base</u> for details on our progress towards our Supplier Sustainability Program 2025 Goal.

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For us, sustainability spans a wide range of opportunities: economic, social and environment. In order to have the long-lasting, positive impact that all of our stakeholders deserve, we work closely with our global supplier community to amplify and expand our reach. Together, we can accomplish so much for our collective future.

Len DeCandia

Chief Procurement Officer, Johnson & Johnson

As part of our own commitment to reduce our Scope 3 emissions, the CDP Supply Chain program is another part of the SSP that requires our suppliers to be transparent about their supply chain impacts by publicly disclosing to CDP their environmental performance, including GHG emissions and water use. We make this a requirement of our largest emitting suppliers in the program, and the strong participation of our suppliers earned recognition for Johnson & Johnson in 2021, when we were named to the CDP Supplier Engagement leader board for the fifth consecutive year.

CDP engagement in 2021

82% of invited suppliers participated in the CDP Supply Chain Climate Program, and **75%** of invited suppliers participated in the CDP Supply Chain Water Program.

Auditing supplier site compliance: We verify supplier site compliance with laws and regulations as well as with other policies, including our Responsibility Standards for Suppliers and our Position on Human Rights, through our EH&S audit program and SSP. 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). Our social audits program, part of our SSP, is conducted in accordance with Supplier Ethical Data Exchange (Sedex) Members Ethical Trade Audit (SMETA) 4-Pillar guidelines and is focused on human and labor rights. In 2021, we completed 124 EH&S audits, the majority in Asia, and 11 social audits. Our audit programs in 2021 continued to be affected by COVID-19, mostly due to travel restrictions, minimizing in-person site visits and limited resources at suppliers to support audits. We continued to leverage virtual audits using video and other online tools.

Building supplier capabilities through our SSP: In 2021, we launched our Onward Sustainability Program, part of our SSP, to focus on direct engagement with suppliers to explain our requirements and how they can best meet them. Replacing our previous static supplier toolkit, Onward is an engaging and broad-reaching series of webinars and materials in which Johnson & Johnson's procurement and sustainability subject matter experts partner with the British Standards Institution to host best-practice sharing sessions on topics relating to our goals and objectives. The program is ongoing but has included sessions on sustainability basics, starting a supplier sustainability program and how to host an audit. The live sessions and materials directly reach more than 1,000 suppliers in our SSP and are available anytime to all our suppliers in our Supplier Quality Academy. In 2021, we delivered five Onward Sustainability Program sessions, in which more than 1,000 attendees from 45 different countries participated.

Engaging suppliers in innovation: Johnson & Johnson has created a Supplier-Enabled Innovation Program that allows us to generate innovative solutions from our supply base to solve our greatest business challenges to profoundly change the trajectory of health for humanity. We have created processes to spark innovation from our supply base, both through our Supplier Management Program and by posting a challenge in our supplier-enabled innovation technology platform. In early 2021, the Johnson & Johnson Procurement organization held its first-ever Supplier-Enabled Innovation Awards event, recognizing the top innovations from these programs in 2020. Partners recognized in our awards program for their top innovations include:

- A biotechnology company that helped us incorporate a plant-derived material in our COVID-19 vaccine production, resulting in increased manufacturing volumes and other improvements;
- Our clinical trial network to improve enrollment of diverse patients in clinical trials through use of novel data science approaches that identify outbreak hot spots and encourage trial participation, especially with difficult-to-enroll minority populations; and
- A supplier to create a first-to-market recycling solution for single-use medical devices, enabling safe reuse of tons of materials that would otherwise have been incinerated or landfilled.

The awards program will be conducted annually to continue to recognize and celebrate the top Supplier-Enabled Innovations.

Surveying clinical trial partners: External clinical trial partners are a crucial link in our drug development process and play an important role in partnering with Johnson & Johnson to increase patient diversity in our clinical trials. This year, we conducted a survey covering 12 clinical suppliers spanning nine service categories to better understand the expertise, performance and behaviors across our partnerships. With insights from the survey, which received hundreds of responses, we are able to lead productive conversations, strengthen our relationships and reinforce targeted improvements in the design and execution of our clinical studies, with a particular focus on increasing patient diversity.

Partnerships for Good: As one of our Health for Humanity 2025 Goals, in June 2020, in solidarity with the Association of National Advertisers and the Alliance for Inclusive and Multicultural Marketing, Johnson & Johnson signed a petition holding ourselves accountable to aggressively pursue equity in advertising and marketing. We collaborated with three agency holding companies and global media partners to adopt microcharters that support our DEI objectives. DEI metrics are now included in our agencies' year-end evaluations, and pay-forperformance compensation models measure and reward the impact of our efforts. Over the past year, with our agency partners, we introduced training and updated hiring practices and equitable content creation at each organization, helping drive better representation of consumers and supporting growth for diverse businesses. Overall, our diverse media spend increased in 2021. Additionally in 2021, we confirmed a collaboration with American Express Global Business Travel to develop a training for business travelers to explain how to spot and report potential instances of human trafficking. See section on Responsible Supply Base for details on our progress towards our Partnerships for Good 2025 Goal.

Responsible Supply Base

Supplier Diversity

Our Global Supplier Diversity & Inclusion program provides a platform for proactive outreach to diverse and small suppliers, collaboration with partners advancing supplier diversity, and guidance to suppliers on how to engage with Johnson & Johnson. Now in the third decade of this program, we continue to realize the value that an inclusive supply base brings to our business, our people, our innovation, our markets and our communities. We have expanded our global footprint to 19 markets, with the addition of India and Turkey.

31% increase in spend with U.S. Tier 1 Black- and Hispanic-owned businesses For the 11th consecutive year, Johnson & Johnson maintained membership in the Billion Dollar Roundtable, a group of companies that advance best practices for supplier diversity, and that spend at least \$1 billion (Tier 1) annually with certified minority-, women-, veteran-, LGBT- and disabledowned businesses. We also became a founding member of the European Gay and Lesbian Chamber of

Commerce, the umbrella organization of the European LGBTIQ Chambers of Commerce, to grow spend with suppliers from this important community.

Tier 1 Diverse Supplier Spend in the U.S. (Millions)	2021
Diverse	\$2,214
Minority-owned	\$1,464
Women-owned	\$873
Disabled-owned	\$159
Veteran- and disabled veteran-owned	\$119
LGBT-owned	\$9

Health for Humanity 2025 Goals | Accountability & Innovation



8 DECENT WORK AND ECONOMIC GROWTH





Global Supplier Diversity and Inclusion

+ Exceeded

Progress: Achieved \$5.22B Global Impact Spend with small and diverse suppliers, representing a 40% increase from 2020.

In 2021, Johnson & Johnson exceeded \$2 billion procurement spend with Tier 1 diverse suppliers globally for the first time. In the U.S., we achieved \$2.2 billion; and outside the U.S., spend totaled \$670 million, the result of targeted efforts in our international markets.

Several notable advances were made in 2021 as we exceeded our ambitious goal of \$4.5 billion in Global Impact Spend by 2025. Examples include:

Expanding the coverage of our Buy Diverse, a digital capability initiative
that increases the visibility of diverse suppliers in our purchasing technology
platform, eMarketplace. In 2021, we significantly increased the number of
diverse suppliers in the U.S. and South Africa and expanded the program to
Brazil and China. We now have more than half of our diverse suppliers
included and a footprint in all regions.

• Hosting an inaugural Johnson & Johnson dedicated global virtual matchmaking event in partnership with six advocacy organizations that are part of the National Business Inclusion Consortium (NBIC). We partnered with the National LGBT Chamber of Commerce (NGLCC), a key advocacy partner that is also part of the consortium, to co-host the event. The advocacy organizations recommended diverse businesses for Johnson & Johnson to evaluate based on business requirements we provided them. As a result, we held discussions with 100 certified diverse businesses and moved more than half of them forward in our procurement process. This was not only an effective approach for supplier discovery, but also established a best practice for the industry.



With over 100 meetings conducted between diverse suppliers and Johnson & Johnson category leads, we were able to yet again increase opportunity for the diverse business community and showcase the commitment we at NGLCC and our partners at Johnson & Johnson have to supplier diversity.

Justin Nelson

Co-Founder and President, National LGBT Chamber of Commerce (NGLCC)

• Focusing on social enterprises, which are businesses that make a social impact while delivering products or services. As an example, Auticon is a social enterprise in Europe that employs people on the autism spectrum, a population that has an 85% unemployment rate. Auticon supports our Global Strategic Insights category using neurodiverse consultants in the data and analytics field to drive outstanding business results. The unique talents of their consultants include strong attention to detail and accuracy. At the same time, their consultants help break down biases towards people with this condition.

Responsible Supply Base | Supplier Diversity

- Building new advocacy partnerships with 14 NGO partners outside the U.S., including supporting research in 2021 to build advocacy infrastructure in Europe for minority business enterprises and social enterprises. In addition, Johnson & Johnson is a member of the NJ CEO Council and of the Billion Dollar Roundtable Black-Owned Business Healthcare Collaborative.
- Driving diverse spend transparency by expanding our reporting of our detailed diverse supplier spend to our major customers. Such reporting allows our customers to recognize the impact of their spend on diverse and small businesses through their value chain and helps them achieve their own supplier diversity objectives. In addition, working with our supplier partners, we increased their Tier 2 diverse spend reporting to us.

Recognition for our supplier diversity efforts in 2021

WeConnect

Global Champions for Supplier Diversity & Inclusion (Ranked in Top Ten)

National LGBT Chamber of Commerce (NGLCC)

Corporation of the Year Winner

Women's Business Enterprise National Council

America's Top Corporations Sixth Time Platinum Level

National Minority Supplier Development Council (NMSDC)

Corporation of the Year (2021 Finalist)

U.S. Hispanic Chamber of Commerce

Million Dollar Club Recognition

National Business Inclusion Consortium (NBIC)

Best of the Best Corporations for Inclusion

Women's Enterprise and Minority Business News USA Magazines

Corporate Buyers of the Year

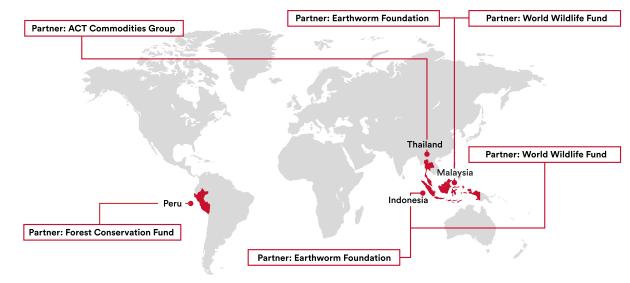
Responsible Sourcing

GRI 304(103), SASB HC-MS-430a.3

Across our business, we source commodities and raw materials in multiple categories. Some of these require heightened procurement focus due to critical environmental or biodiversity concerns or elevated human rights risks in the supply chain. We collaborate with supply chain partners to understand the potential risks and impacts of our procurement activities in these areas and define appropriate standards and controls in responsible sourcing of commodities and materials of concern.

Forest partnerships: We maintain multiple multiyear forest partnerships to enable the protection of tropical rainforests that are critical for climate mitigation, wildlife conservation and long-term community well-being.

Our Forest Partners



In 2021, we scored A- for palm oil and a B for timber for our CDP Forests disclosures, maintaining our position from 2020 as one of the few companies worldwide that disclose to this important CDP framework addressing deforestation impacts.

Habitats protected or restored: In 2021, we invested in two forest partnerships to enable the protection of tropical rainforests linked to our upstream supply chain to maximize benefits to biodiversity and local communities.

- In Sumatra, Indonesia, we supported a market-driven approach to forest restoration and protection of more than 38,000 hectares of rainforest led by the World Wildlife Fund.
- In Loreto, Peru, we invested in a forest conservation initiative with the Forest Conservation Fund to prevent the deforestation of 10,000 hectares of pristine Amazon rainforest.

Wood-fiber products: Johnson & Johnson is committed to more responsible sourcing of wood-fiber products. We partner with the Rainforest Alliance to engage our suppliers and implement our Responsible Wood-Fiber Product Sourcing Policy.

Palm oil: We support the production and responsible use of palm oil through the implementation of our Responsible Palm Oil Sourcing Policy. We partner with the Earthworm Foundation and Action for Sustainable Derivatives to build supply chain transparency and monitor nonconformance to our commitments.

Conflict minerals: As members of the Responsible Minerals Initiative and in line with regulatory requirements, we remain committed to taking steps to determine the use, country of origin and source of tin, tungsten, tantalum and gold in our global product portfolio.

Our Board of

(end of year)

Directors in 2021

Corporate Governance

GRI 102-18, 102-22, 102-23, 102-24, 102-25, 102-33

Our Board of Directors oversees our Company in alignment with <u>Our Credo</u> values, enabling us to put the patients we serve first and create value for society while maintaining a thriving business. Our governance structure, policies and processes are designed to serve the needs of our business, our shareholders and other stakeholders, and to promote a culture of accountability across the Enterprise. Our Board of Directors remains accessible to all stakeholders and can be contacted via several channels.

We are a signatory to the <u>Commonsense Corporate Governance Principles 2.0</u> and are committed to using these standards to inform Johnson & Johnson's corporate governance practices. 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 information and resources relating to corporate governance on our corporate website, including our <u>Principles of Corporate Governance</u>, governance structures, Board Charters, organizational documents and all SEC filings.

Our <u>Enterprise Risk Management Framework</u> provides a systematic process for our management teams and employees to identify, assess and manage business risks, and for our Board to oversee risk management.

ESG matters are regular topics on the agenda of our Board of Directors. The Science, Technology & Sustainability Committee reviews annual progress against our Health for Humanity strategy and goals, initiatives advanced by the Enterprise Governance Council, the governance body for ESG, and our overall sustainability efforts. Other Committees of the Board oversee specific ESG risks and opportunities (see section: Sustainability Governance).

We aim for a diverse membership of our Board of Directors in order to benefit from different backgrounds, expertise and perspectives in addressing the needs of our global patient and consumer base.



Robust corporate governance is the key to long-term value creation for all stakeholders. Corporations in today's world must not only do the right thing, they must also have the full engagement of directors and company leadership in fostering a compliant, ethical, accountable and transparent culture and practice.

Michael Ullmann

Executive Vice President, General Counsel, Johnson & Johnson

Following our announcement in 2021 of a significant change to our corporate governance, Alex Gorsky, Johnson & Johnson's Chairman and Chief Executive Officer since 2012, assumed the role of Executive Chairman of Johnson & Johnson, effective January 3, 2022. At the same time, Joaquin Duato, Vice Chairman of the Company's Executive Committee, assumed the role of Chief Executive Officer, with members of the Executive Committee reporting to him. Joaquin Duato was also appointed as a member of Johnson & Johnson's Board of Directors, effective January 3, 2022.

93% independent

35.7% women

21.4% ethnically/racially diverse

Additionally, following the appointment of Joaquin Duato, and the planned retirement of two Executive Committee members (Michael Sneed and Dr. Paul Stoffels), we announced four new Executive Committee appointments, effective January 3, 2022:

- Vanessa Broadhurst, Company Group Chairman, Global Commercial Strategy Organization, was appointed Executive Vice President, Global Corporate Affairs.
- William N. Hait, M.D., Ph.D., Global Head of Johnson & Johnson External Innovation, was appointed Executive Vice President, Chief External Innovation, Medical Safety and Global Public Health Officer.
- Mathai Mammen, M.D., Ph.D., Global Head of R&D at the Janssen
 Pharmaceutical Companies of Johnson & Johnson, was appointed Executive
 Vice President, Pharmaceuticals, R&D.
- James (Jim) Swanson, Chief Information Officer, was appointed Executive Vice President, Enterprise Chief Information Officer.



Our Board of Directors has engaged in thoughtful longterm succession planning, and the transitioning of the Chief Executive Officer role demonstrates the strength of that process as well as our depth of talent at the executive management level to drive the Company's continued growth and success.

Anne M. Mulcahy

Lead Director, Johnson & Johnson Board of Directors

In 2021, Johnson & Johnson's Board of Directors regularly engaged with management to further formalize our <u>ESG</u> strategy and participated in our 2022 <u>PTA</u>. The Board also conducted a comprehensive review of its charter and agendas in 2021, as well as the charter and agendas of each Committee, to ensure that the Board or a Committee was responsible for each of the significant ESG topics identified in our latest PTA.

Ethics & Compliance

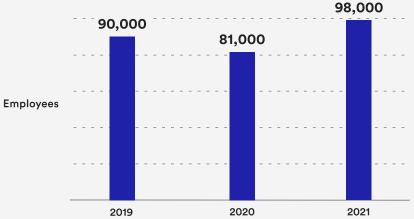
GRI 102-17, 205(103), 205-2, 206(103), 417(103), 417-1, 419(103), J&J21-3, J&J21-4

Our responsibilities to patients, consumers, <u>HCPs</u>, employees, communities and shareholders are embedded in <u>Our Credo</u>. Our comprehensive policies, procedures and training programs help our employees and contingent workers comply with applicable laws, regulations and industry codes as well as the Company's internal standards and expectations for responsible conduct. We use our biennial Our Credo Survey to assess how our values come to life across the Enterprise. Our next Our Credo Survey is in 2022.

Our Code of Business Conduct (CBC) and Health Care Compliance (HCC) policies list comprehensive ethical standards for decisions and actions in every market where we operate. Mandatory CBC training is conducted every two years, and HCC training is conducted each year. All new employees are assigned and required to complete CBC, HCC and other relevant required training. In our policies, we comprehensively address anti-corruption and anti-bribery, following the U.S. Foreign Corrupt Practices Act, the UK Bribery Act 2010, and other applicable local anti-bribery and anti-corruption laws and regulations. Similarly, we value transparency as a key component of building trust with all those engaged with our business and aim to comply with multiple regulatory reporting requirements in different jurisdictions around the world as well as publishing a wide range of voluntary disclosures to meet the information needs of our diverse stakeholder groups.



Health Care Compliance (HCC) Training Completion



98%

of assigned employees completed CBC training.

97%

of assigned contingent workers completed CBC training. 97%

of sales and marketing employees completed HCC training. 100%

of senior leaders certified* the compliance of their organizations with the CBC. 86%

of employees believe leaders demonstrate that integrity, quality and compliance are top priorities through their words and actions (2021 Our Voice Survey).

^{*} 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.

Ethics & Compliance

Aspects of ethics and compliance we advanced in 2021 include:

Enhancing the effectiveness of HCC training: As part of our process of continuously improving our training tools to further enhance compliance across the Enterprise, we introduced a new interactive platform to deliver HCC training in a virtual setting. The platform includes 64 new HCC situational business/compliance case study discussions. We also introduced new methods to evaluate the effectiveness of our mandatory annual Enterprise HCC training. The methods evaluate learning and learning transfer by providing statistical evidence that employees understand the content of the training. Our 2021 final assessment indicates that the results of the test are the product of consistent learning behavior, that they are highly defensible, and that learners demonstrated mastery of the subject matter.

Revising Our Credo escalation procedure: At Johnson & Johnson, one way we build our culture of integrity and accountability is 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 outlines those responsibilities, including what should be reported, in what timeframe, and the process for reporting. In 2021, we revised our escalation procedure and communicated it broadly to all employees, emphasizing that every employee is empowered to speak up on any matter relating to ethical conduct or compliance.

Spotlighting compliance and ethics: Our annual Compliance and Ethics Week offers an opportunity to reinforce an overall culture of compliance across our organization. During this week, among activities in all our regions, we launched a bespoke initiative themed "2021 Ignite Compliance—Doing the right thing the right way" across Southeast Asia (SEA), with multiple interactive sessions and interviews with senior leaders, tailored to the needs of each market in the region. Additionally, we expanded our efforts to external business partners, continuing to increase awareness of HCC, anti-corruption laws and conflicts of interest across Third Party Intermediaries (TPIs). Our focus on TPI compliance extends well beyond SEA; however, in 2021, we adapted the Advanced Medical Technology Association (AdvaMed) Distributor Toolkit to create a proprietary, broader Johnson & Johnson TPI Compliance Toolkit for global use, with the purpose of enabling TPIs to better self-assess the maturity and completeness of their own compliance programs and to strengthen their programs where needed.

New anti-corruption benchmark: We completed the Transparency International UK (TI-UK) Corporate Anti-Corruption Benchmark, which is designed and verified by independent experts selected by TI-UK and includes meeting the legal requirements of the UK Bribery Act and the U.S. Foreign Corrupt Practices Act.

Our participation required a comprehensive review of our anti-corruption program, including governance and controls in our HCC program as well as in the areas of supply chain, finance, procurement, mergers and acquisitions, and human resources across all sectors and business functions. While our overall score ranked highly in the benchmark relative to other industry participants, we took the opportunity to engage in discussion and learn of possible additional best practices that could be relevant for Johnson & Johnson.

Maintaining our focus on bioethical decision making: To address the complex ethical questions arising in the field of biological research, science and medicine, our global Johnson & Johnson Bioethics Committee (JJBC) serves as an advisory body to our global teams on ethical issues. In 2021, JJBC provided guidance to multiple teams on ethical questions related to research, access to investigational medicines, data transparency and more. JJBC also conducted workshops covering bioethics principles and mentoring sessions for colleagues interested in bioethics careers. We continued to actively engage externally to discuss important bioethical issues. For example, we sponsor the Harvard Multi-Regional Clinical Trials Bioethics Collaborative and an innovative, multistakeholder bioethics colloquium convened by New York University (NYU) and the New York Academy of Sciences.

Promoting animal welfare: As an important part of our bioethical approach and policies, we continued to uphold the ethical and humane treatment of animals used in laboratory settings and promote the use of non-animal alternatives whenever feasible, including through regulation. Within our organization, we run annual 3Rs Awards that recognize the commitment of Johnson & Johnson teams to 3R principles for ethical use of animals in testing—reducing, refining and replacing their use whenever possible in R&D. In 2021, for example, via our Best of Sector 3Rs Award, we recognized our Consumer Health team in China for successfully engaging with Chinese Health Authorities on alternative in vitro models that could help reduce animal testing of cosmetics in the country. Through close collaboration with industry, the Consumer Health team created training materials, consolidated validation data on animal alternative models, and helped shape regulatory acceptance to permit alternative models for cosmetics in China. In 2021, the China Cosmetic Product Safety Evaluation Guidance was published and included in vitro methodologies and other safety assessment approaches, enabling Chinese producers to waive animal studies in the cosmetic registration process and paving the way to reduce animal testing for cosmetic products in China.

Collaborating on external research assessments: Since 2014, we have been working with the Yale University Open Data Access (YODA) Project to enable a consistent approach for assessing external research proposals requesting the

use of clinical trial data generated by Johnson & Johnson companies. As of 2021, 252 research proposals have been reviewed and 56 articles published using data shared through the YODA Project, enabling researchers to build on existing findings to accelerate research that leads to improvements in public health.

Since 2015, we have collaborated with NYU School of Medicine to support Janssen decision making for investigational medicine requests, also known as "compassionate use" or "pre-approval access." The Compassionate Use Advisory Committee (CompAC), comprised of ethicists, physicians and patient representatives independently selected by NYU, provides guidance to Janssen on pre-approval access plans and individual requests received at Janssen. CompAC affirms Johnson & Johnson's commitment to ensuring a transparent, ethical and objective approach to reviewing compassionate use requests.

Nationwide opioid settlement agreement: In July 2021, we announced the finalization of a nationwide settlement agreement to resolve opioid-related claims and litigation in the U.S. Johnson & Johnson confirmed its contribution of up to \$5 billion to the settlement, depending on the number of state and local governments that elect to opt in to the agreement. In February 2022, we confirmed that there was a sufficient level of participation to move forward with the nationwide settlement agreement to resolve opioid-related claims and litigation by states, cities, counties, and other subdivisions in the U.S. Johnson & Johnson no longer sells prescription opioid medications in the U.S. as part of our ongoing efforts to focus on transformational innovation and serving unmet patient needs.

Ethics & Compliance

Political giving: At the beginning of the 117th Congress (2021 – 2022), Johnson & Johnson paused all political contributions for a further review of our giving policies and criteria. While we have always maintained stringent political giving criteria to govern our contributions, in 2021, we undertook an extensive review of our corporate political giving program and the Johnson & Johnson Political Action Committee (Johnson & Johnson PAC) to ensure that both are positioned to fulfill their mission in support of Our Credo by including a revised giving criteria for agile decision making. With revised giving criteria in place, we reinstated our corporate political giving program and Johnson & Johnson PAC contributions.

Supporting voting rights: We believe that all eligible Americans should be able to exercise freely, fairly and safely their right to vote, regardless of their race or ethnicity. The act of voting remains a fundamental way to make our voices heard on the most important issues of our time, and there cannot be laws that implement barriers to exercising this most basic right. Johnson & Johnson fully supports an inclusive democratic process that facilitates safe access to voting, and as both an employer and a member of the communities we serve, we actively support and encourage participation in the voting process. In the spring of 2021, we were proud to join hundreds of corporations and others in signing a statement in support of democracy, opposing legislation that would make it harder for people to vote. The statement was published in leading media outlets in the U.S.

Johnson & Johnson was named in 2021 for the fourth consecutive year to the CPA-Zicklin Index of Corporate Political Disclosure and Accountability with Trendsetter status, indicating transparency in political contributions disclosure and accountability.

Compliance-Related Investigations and Responsible Marketing Indicators	2021	2020	2019
Number of compliance-related allegations investigated	661 [‡]	559 ⁺	738
Percentage of compliance-related allegations investig	gated by category		
Healthcare compliance	48% [‡]	41%+	40%
Financial	43% [‡]	51% ⁺	50%
Other	9% [‡]	8%+	10%
Number of warning letters or untitled letters issued by OPDP or APLB in the U.S.*	0	0	0

[‡] See PwC's Report of Independent Accountants.

^{*}OPDP: Office of Prescription Drug Promotion; and APLB: Advertising and Promotional Labeling Branch of the FDA Center for Biologics Evaluation and Research.

Inquiries and Complaints as Recorded With Our Credo Integrity Line by Category'	2021	2020	2019
Human Resources-related	55% [‡]	51% ⁺	60%
Business integrity-related	14% [‡]	12%+	6%
Other	9% [‡]	11%+	8%
General information questions	8% [‡]	10%+	11%
Financial-related	7% [‡]	14%+	13%
Human rights-related	5% [‡]	Not reported	Not reported
Product quality- and patient safety-related	2% [‡]	2%+	2%

[‡] See PwC's Report of Independent Accountants.

⁺ See PwC's Report of Independent Accountants in the 2020 Health for Humanity Report.

⁺ See PwC's Report of Independent Accountants in the 2020 Health for Humanity Report.

^{*} Johnson & Johnson Triage Committee and case investigators have the ability to change the issue type of cases upon receipt in Our Credo Integrity Line. This occurs for 5% or fewer of cases.

Human Rights

GRI 102-41, 402(103), 402-1, 406(103), 406-1, 407(103), 407-1, 408(103), 408-1, 409(103), 409-1, 412(103), 412-1, 412-2

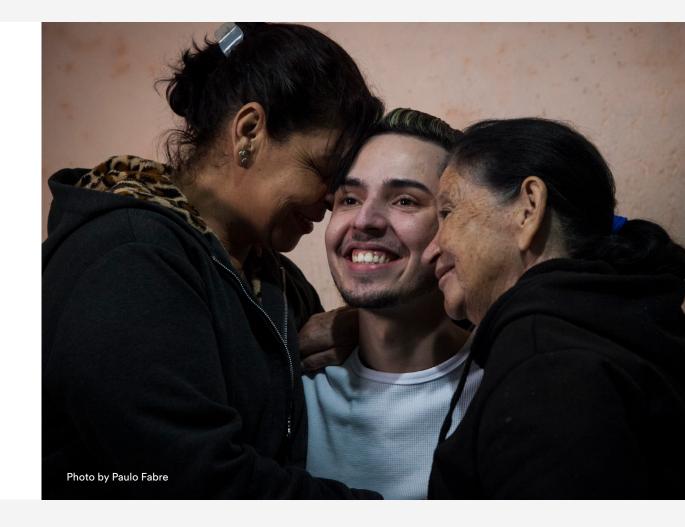
Johnson & Johnson has a longstanding commitment to respecting human rights that is embedded in <u>Our Credo</u> and reflected throughout our organization in the way we conduct business. Our approach to human rights is outlined in both our Position on Human Rights and our Responsibility Standards for Suppliers; it is also reflected in our related <u>ESG Policies and Positions</u> and annual regulatory disclosures. The Johnson & Johnson Enterprise Human Rights Governance Council (EHRGC) leads our global approach to human rights due diligence and management in our own operations and supply chain. The EHRGC is comprised of a cross-functional group of senior leaders representing legal, procurement, supply chain, global public health, human resources, sustainability, <u>ESG</u> and government affairs organizations.



In 2021, BSR worked in collaboration with Johnson & Johnson to create a human rights strategic framework that was informed by both external and internal stakeholder insights. The framework further evolves Johnson & Johnson's approach to human rights and will serve as a key tool to guide how the Company integrates and operationalizes human rights across its business.

Jenny Vaughan

Human Rights Director, BSR



Our Human Rights Journey

Highlights from Johnson & Johnson's long history of taking action to respect and promote human rights in our own operations and across our value chain

2006:

 Implemented the first version of Responsibility Standards for Suppliers

2012:

 Implemented the first Enterprise Human Rights Statement

2016:

 Established the Human Rights in the Supply Base Program

2019:

 Established the Enterprise Human Rights Governance Council

 Conducted an enterpriselevel human rights assessment to identify priority focus areas

2020:

- Embedded an annual living wage assessment into our internal compensation processes
- Developed and implemented a Human Rights Employee Learning and Education Course, translated into 26 languages
- Created a stand-alone human rights complaints category in Our Credo Integrity Line

2021:

- Conducted an assessment of the potential risk of excessive work hours for Johnson & Johnson employees
- Developed a long-term human rights strategic framework



Human Rights

Enhancing our strategic approach to human rights: 2021 marked the 10th anniversary of the UN Guiding Principles on Business and Human Rights (UNGPs), representing a timely opportunity to reflect on the evolution of international efforts to respect human rights in company value chains and to consider ways in which we at Johnson & Johnson can further strengthen our approach to human rights. To achieve this, our EHRGC engaged BSR to support Johnson & Johnson to evolve our human rights strategy. Together with BSR, we conducted an enterprise-level gap analysis of our human rights approach in relation to the UNGPs, reviewed our existing priority focus areas and emerging human rights topics, and gathered insights from interviews with senior leaders at Johnson & Johnson and external stakeholders. With these inputs, we held internal workshops with key stakeholders to further develop and define a long-term strategic framework that will shape our human rights priority focus areas and action plans.

Human rights in our own operations: We continued to strengthen our approach to due diligence in order to identify, assess and address potential and actual human rights impacts across Johnson & Johnson's operations globally. We conducted human rights audits at key sites using the Supplier Ethical Data Exchange (Sedex) Members Ethical Trade Audit (SMETA) best practice guidance and measurement criteria. In addition, our Human Resources organization implemented a program to enhance fair labor practices in our own operations, focused on living wage and hours of work:

- Living wage: Since 2020, we have embedded an annual living wage assessment into standard compensation processes with the aim for all employees in our operations globally to receive pay that is competitive in their local markets and sufficient to support a sustainable standard of living for them and their families. The annual assessment in 2021 was undertaken, with living wage rates provided by BSR, and fewer wage gaps were identified compared with the 2020 analysis. As a result, a small number of wage adjustments were made.
- Excessive hours: In 2021, we examined the potential risk of excessive work hours for employees in our operations. Our assessment included an evaluation of hours worked in specific sites. The findings from this assessment will inform the development of a global guideline to limit work hours to 60 hours per week (including overtime) for wage employees, in line with International Labour Organization conventions.

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. 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.

Human rights in our supply base: All Johnson & Johnson suppliers are expected to adhere to our Responsibility Standards for Suppliers, which includes expectations relating to human and labor rights, among other topics. In 2021, we took a range of actions to identify and address human rights impacts across our supply base, such as:

- Enhancing our focus on human rights due diligence in an effort to integrate it more deeply into our procurement practices through our Working Group on Human Rights in our Supply Base;
- Conducting in-depth category and commodity human rights assessments in order to gain greater multi-tier visibility in high-risk supply chains for improved human rights impact management; and
- Increasing our supplier training and capability-building efforts, including the launch of our Onward Sustainability Program, a platform where we share good practices on a range of topics such as human rights, and a post-audit engagement process to encourage suppliers to conduct human rights due diligence.

To learn more about human rights in our supply base, see section: Responsible Supply Base.

30%

of employees worldwide are covered by collective bargaining agreements.

Enhancing our human rights grievance mechanism: The Johnson & Johnson Our Credo Integrity Line—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, including potential human rights violations. In order to ensure that we appropriately and efficiently address human rights within Our Credo Integrity Line, we created a separate category for those who wish to make an inquiry or report a complaint that involves a potential or actual human rights impact (see section: Ethics & Compliance for our 2021 Our Credo Integrity Line results).

Building employee knowledge and capabilities: All Johnson & Johnson employees have a role to play in respecting human rights. Our Foundational Human Rights Learning and Education Course was rolled out in 2021 in 26 languages to targeted employees globally. In recognition of Global Human Rights Day in December, we promoted this course to all employees to drive further awareness and uptake. In 2022, the course will be mandatory for employees in Procurement, and we will continue to target the training to additional employees who play a key role in delivering on our human rights commitments.

External engagement and collective action: For ongoing support in upholding human rights, we work in collaboration with specialist human rights organizations, and we are a member of Shift's Business Learning Program and of BSR's Human Rights Working Group. In 2021, we worked with Shift—a leading center of expertise on the UNGPs—to gather insights and build on our knowledge of grievance mechanisms and access-to-remedy best practices, which will inform our approach going forward. Johnson & Johnson is also a member of both industry-wide and issue-specific forums that share good practices and drive collective progress, including the Pharmaceutical Supply Chain Initiative, AIM-Progress and the Responsible Minerals Initiative.

Product Quality & Safety

GRI 416(103), 416-2, J&J21-8

As the world's largest and most broadly based healthcare company, Johnson & Johnson reaches patients and consumers across the world with our medicines, medical technologies and consumer health products. Their safety when using our products is a critical priority for Johnson & Johnson: we insist on quality and safety at every stage of product development, manufacturing, supply chain and commercialization to ensure our products are as effective and safe as possible.



Our Quality and Compliance organization has a strategy focused on the future of healthcare—greater digital enablement, personalization, customization and speed. In this evolving world, it's not enough to focus on delivering the highest quality and safety standards. We must also drive the highest quality experiences for patients, consumers and customers in this increasingly interconnected and personalized world.

Carol Montandon

Worldwide Vice President, Global Chief Quality Officer, Johnson & Johnson

Quality Management

GRI 416-2. J&J21-8. SASB HC-BP-250a.3, HC-BP-250a.5, HC-MS-250a.1, HC-MS-250a.4

The Johnson & Johnson Quality Policies and Standards across our Family of Companies cover the lifecycle of our products from R&D to the consumer and patient experience. They provide a framework and common foundation of quality expectations and help ensure a reliable supply of high-quality products across all our business segments into the markets we serve. In 2021, we continued to assess and improve our internal quality policies and standards to keep pace with the changing regulatory demands for our diverse portfolio of products. Areas of progress we made include:

Supporting regulatory innovation: As one of nine companies participating in the FDA Digital Health Software Precertification (Pre-Cert) Pilot Program, we helped the program move to the next stage by evaluating and providing feedback on a Key Performance Indicator used in the proposed model. The Pre-Cert Program aims to accelerate the speed of medical devices software solutions to the U.S. market. The program will grant streamlined product regulatory reviews for digital health technology companies that demonstrate and maintain a culture of quality and organizational excellence. We also joined other industry leads in the Medical Device Innovation Consortium Digital Health Initiative to work with the FDA in developing innovative regulatory pathways for organizations to plan for easy and efficient product submissions and notifications while meeting high product quality and safety standards.

Improving data security for Quality & Compliance professionals: We

commenced deployment of our new proprietary Compliance Insights Application (CIA) technology framework that simplifies the digital experience for our Quality & Compliance professionals. CIA provides a validated way of handling highest-level privacy data within our data science apps, giving strong protection for sensitive data. It also ensures a scalable means to publish datasets and data science applications as well as simplified methods for the management of access rights of users. This program was developed in-house by Johnson & Johnson technical experts and is now being expanded for use as part of our Pharmaceutical sector Quality & Compliance toolkit. For additional information on our data protection efforts, see section: Information Security & Data Privacy.

Digitalizing our processes: We continue to leverage the latest technology, including AI, data science and intelligent automation to digitalize our processes for greater efficiency and improved outcomes for patients and consumers. Automating documentation processes reduces the cycle time to get products to our customers while creating a digital record and database for process monitoring and evaluation. For example, in 2021, we automated the sterile release quality control procedure at DePuy Synthes. Using optical character recognition technology to convert text images to accessible electronic information, we were able to automate quality control against predefined acceptance criteria.

Improving processing of complaints: We expanded the use of a new product complaint solution called Envision. A key feature of the application is the ability to translate patient and consumer complaints from different languages using a tool called Language Weaver, avoiding the need for manual translations of complaints received. Language Weaver uses Al technology to optimize linguistic performance

and facilitate speedier investigation and response times to complaints received. By the end of 2021, Envision, incorporating Language Weaver, was being used widely across the Enterprise, translating more than 66 million words during the year across almost 150 languages, enabling patients and consumers to make their voice heard in their own language.



Johnson & Johnson employees celebrating Quality Month.

Activating our annual Quality Month: This year, our annual Quality Month ran under the theme "Great Customer Experiences Start With Quality," demonstrating our unwavering commitment to providing high-quality experiences to our patients, consumers and customers—all while having fun. Thousands of Johnson & Johnson employees joined virtual workshops, training and interactive educational sessions.

Product Quality Indicators	2021	2020	2019
Number of FDA warning letters issued	O‡	O ⁺	1+
Product recall rate* by business segmen	t		
Pharmaceutical	0% [‡]	0%+	0.002%
MedTech	0.059% [‡]	0.034%+	0.041%
Consumer Health Self-Care OTC**	0% [‡]	0%+	0.091%

‡ See PwC's Report of Independent Accountants.

+ See PwC's Report of Independent Accountants in the 2020 and 2019 Health for Humanity Report.

* Product recall rate is defined as the number of lots removed from market per total globally manufactured, based on field action removals where it has been determined internally by a Quality Review Board, and aligned by Johnson & Johnson Enterprise Compliance, that 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.

"The Pharmaceutical and MedTech recall rates consider all products in each business segment. The Consumer Health product quality recall rate is inclusive of Consumer Health products from the Self-Care over-the-counter (OTC) business segment. It does not represent Essential Health and Skin Health/Beauty business segment products, including the voluntary recall of certain aerosol sunscreen products in 2021.

Product Quality & Safety

Medical Safety

Patient and consumer well-being is a priority in our decision making and actions. The Office of the Chief Medical Officer (OCMO) leads medical safety globally at Johnson & Johnson, championing bioethical principles and people-centered, evidence- and science-based decisions across our three business segments. Our work is underpinned by a single medical safety standard to which all our products are held, supported by defined policies and processes. RWD enhances our understanding of the safety and effectiveness of our medicines and medtech products outside clinical trial settings. In partnership with leading organizations, OCMO advances novel methodologies and tools to further inform clinical and regulatory decision making and advance public health.

Health for Humanity 2025 Goals Accountability & Innovation







Healthcare for Women

Progress: Achieved publication of insights from 7,500 women in seven original publications with a research focus in two main areas:

→ On track

- 1. Maternal health racial equity.
- 2. Sex as a biologic variable, as women have traditionally been underrepresented in medical research.

Our Healthcare for Women 2025 Goal reflects the growing importance of RWD in improving health outcomes.

Supporting healthcare for women: OCMO's Health of Women and Global Epidemiology teams came together in 2021 to establish the Johnson & Johnson Pregnancy and Lactation Advisory Group (JJ-PAL). With the knowledge that pregnant and lactating women are historically understudied, we saw the need

for a dedicated effort to provide guidance to clinical teams in characterizing the benefit-risk profile of products used during pregnancy and lactation. JJ-PAL now advises clinical development teams as they envision evidence-based activities in pregnant and lactating women. Guidance provided to several teams has resulted in updates to protocols, regulatory strategy or amendment of clinical study documents.

Improving maternal health among Black mothers: In alignment with our ambition to improve maternal health equity (see section: Our Race to Health Equity), OCMO continues to foster multistakeholder collaborations with academic institutions, policymakers, community organizations and Black mothers in the U.S. state of Georgia to advance maternal health equity. This new public-private collaborative approach engages more than 25 organizations and supports Black researchers and community groups who are leading these important projects. We also partnered with Accenture, Microsoft and the Healthy Mothers Healthy Babies Coalition of Georgia to initiate Hack4Equity, a hackathon that convened 250 innovators to crowdsource solutions to address maternal morbidity and mortality. Three awardees received expert technical support and funding to advance their proposed solutions that included providing quality education and access to care for expectant mothers and an app to match mothers with certified doulas and other resources such as childcare and transportation.

Ongoing medical safety excellence during COVID-19: Among our highest priorities during the pandemic have been uninterrupted and effective monitoring and ongoing safety evaluation of our products. Advanced methods and tools were developed by OCMO epidemiology teams as part of our COVID-19 vaccine safety surveillance program. The tools included rapid analysis of RWD to complement vaccine safety information from clinical trials and spontaneous case reports once the vaccine became available to the public. These analyses improved our ability to respond more rapidly to potential safety signals and manage the benefit-risk profile of the vaccine to help keep people as safe as possible. OCMO also co-led efforts to maximize the use of modeling of the regional spread of the pandemic to identify those at the highest risk of COVID-19, including diverse populations, to aid in clinical trial recruitment with representation of those at the highest risk of severe disease.

Focusing on child safety: We advanced initiatives focusing on the safety of older children who may be self-medicating and younger children who are at risk of accidental unsupervised ingestions of medicine.

- OCMO and our Consumer Health teams partnered with Scholastic to develop a cross-curricular program and platform with educational resources to teach youth about OTC medicine safety.
- We partnered with the nonprofit organization Safe Kids Worldwide to implement a medication safety program providing research and practical tools and tips for parents about the safe storage and dosing of medicine.
- We announced the awardee of the Pill Protect QuickFire Challenge: Designing for Medication Safety, which we introduced with JLABS with support from the Scientific Education and Patient Advocacy and in coordination with the CDC PROTECT Initiative.

Promoting patient preference studies: We are co-leading the Innovative Medicines Initiative PREFER project, a five-year project to establish recommendations for industry regulatory authorities and Health Technology Assessment bodies on the use of patient preferences in medicinal product decision making. PREFER is providing the pharmaceutical, medical device and vaccine industries with recommendations for framing decisions based on patient preference studies. Patient preference studies are a dynamic field with considerable ongoing methodological research and numerous questions that must be addressed for regulatory applications. The methods involved in preference studies are technically complex and still novel for many in healthcare and medical treatment development, making the PREFER initiative a crucial one for leveraging the patient voice to improve health outcomes. The PREFER framework and recommendations are expected to be qualified by European regulators, providing official recognition of PREFER's patient preference study framework. Johnson & Johnson co-defined PREFER, serves on its steering committee and leads several key components of the project.

Talc safety: We continue to address allegations that JOHNSON'S Baby Powder can cause adverse health effects. 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. Please see factsabouttalc.com and <u>LTLManagementinformation.com</u> for information on the safety of talc and steps taken to equitably resolve all talc claims. Johnson & Johnson remains steadfastly confident in the safety of talc-based JOHNSON'S Baby Powder.



Product Quality & Safety

Counterfeiting & Illicit Trade

GRI J&J21-5, SASB HC-BP-260a.1, HC-MS-430a.2

We strive to ensure that all who use our products have unequivocal confidence in their quality, safety and authenticity. We aggressively continue to manage risks related to illicit trade to protect patients and consumers from potential harm. When a counterfeit product is purchased, everyone—except for the counterfeiter—loses. The consumer or patient does not get the product they paid for and, more important, could be at risk of serious health problems—potentially even death. Fake products undermine confidence in the quality, safety and reliability of healthcare products which, at Johnson & Johnson, are central to everything we do. Counterfeiting may also fund other illegal activities such as terrorism, organized crime, child labor, etc., with far-reaching adverse effects on people, communities and healthcare systems.

We believe the illicit trade of healthcare products must be eliminated for the benefit of all, and we strongly support stricter regulation in this area. Similarly, we supported the passage of the H.R. 5663 Safeguarding Therapeutics Act, giving the FDA the authority to destroy counterfeit medical devices and combination products at ports of entry. The bill came into force in January 2021.

During 2021, we continued to reinforce our programs and actions to help stamp out illicit trade in the following ways:

Adopting new ways of monitoring and detecting illicit trade through enhanced product security intelligence and analytics, addressing the growing sophistication of illicit trade and the expansion of online marketplaces. Advanced technology is a critical component of our protection against illicit trade. Our new mobile app provides field-based product authentication capabilities to enhance product security. We maintain round-the-clock monitoring of more than 1.6 million global websites, more than 30 social media sites, almost 800 marketplaces and 60 dark web locations. We also examine new data sources for shipments through customs monitoring programs.

Protecting our COVID-19 vaccine from illicit trade through best-in-class product protection features. An example last year in Kenya saw individuals posing as healthcare workers administering a fake version of our COVID-19 vaccine—one of the many ways in which illegal activity that can cause serious harm to people and communities is showing up.

To protect our patients, our Global Brand Protection (GBP) team built advanced overt and covert product security features into vaccine packaging and intensified monitoring of internet marketplaces and the dark web for COVID-19 pandemic product risks and threats, including drugs and COVID-19 vaccines from other manufacturers. We also worked across our supply chain to uphold our high Enterprise standards for security and IP protection. COVID-19 anti-counterfeit training was delivered by our teams to customs and border protection authorities in several countries alongside the provision of our proprietary mobile app to enable rapid product authentication in the field.

Enhancing our response protocol for addressing identified illicit trade incidents. Once a suspect product or shipment has been identified, a swift and thorough response is essential. Depending upon the unique circumstances (e.g., safety risk and jurisdiction), we may pursue civil enforcement actions in parallel with criminal prosecution when illicit trade is uncovered. This parallel approach was used, for example, to fight counterfeits of our branded surgical product used to control bleeding in surgeries worldwide. We pursued civil litigation to have the counterfeit products removed from circulation from the U.S. marketplace; criminal prosecution efforts are still ongoing.

Training employees and law enforcement:

Annually, all employees receive mandatory training on identifying and reporting Product Quality Complaint/Adverse Events, which includes a module on illicit trade complaints. Also mandatory for employees is a biennial CBC training, which also includes a module on counterfeit products and illicit trade to help employees be proactive in protecting our patients and consumers. Outside the Company, we regularly train members of law enforcement to help them identify suspect versions of Johnson & Johnson products through our GBP Customs Program for customs and border protection officials.

Anti-counterfeiting best practices training delivered in 2021:

3,960

customs and border patrol officials

Maintaining our wide-ranging networks and partnerships for enhanced product protection: promoting laws designed to render counterfeiting and piracy unprofitable and undesirable is a common industry goal that drives alliances between governmental and regulatory agencies and brand owners. At Johnson & Johnson, our GBP team is a member of and holds leadership roles in several illicit trade prevention consortiums. The team works with government agencies around the world to encourage legislation that seeks to dismantle illegitimate supply chains and punish those found guilty of illicit trade. As many of our products are governed by Ministries of Health, we also work with them to enact changes designed to better protect patient safety.

We are also members of and/or hold board positions on several additional region-specific industry groups.

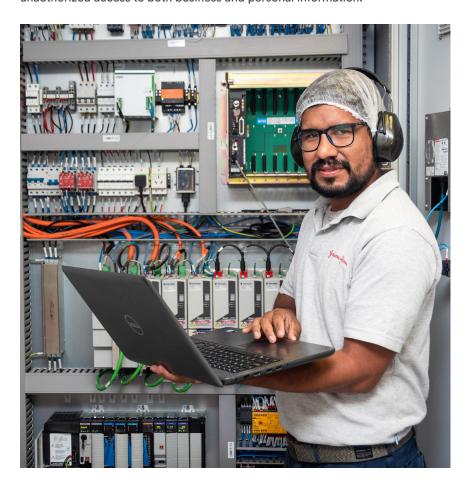
A selection of anti-counterfeiting industry organizations we engaged with in 2021:

- International Anti-Counterfeiting Coalition;
- Center for Anti-Counterfeiting and Product Protection at Michigan State University;
- Rx-360 The International Pharmaceutical Supply Chain Consortium;
- Pharmaceutical Security Institute;
- Alliance for Safe Online Pharmacies: and
- International Trademark Association.

Information Security & Data Privacy

GRI 418(103), 418-1

Johnson & Johnson is strongly committed to protecting 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 maintain global privacy policies to which all our businesses worldwide must adhere. Our policies reflect our commitment to fair and transparent information practices. Similarly, through our Information Security and Risk Management organization, we safeguard the Company's networks, systems, products and information against evolving cyber threats to ensure the availability of critical systems and prevent unintended or unauthorized access to both business and personal information.



In 2021, in addition to ongoing programs and controls, our focus included:

Proactive cyber protection for our COVID-19 vaccine information: The intensive development processes and global scrutiny of all COVID-19 development, including our own work at Johnson & Johnson, made vaccine-related information a target for sophisticated attackers. We quickly identified a clear need for additional vigilance and protection of critical data, communications, applications, and systems supporting the development and production of our COVID-19 vaccine. During 2021, we maintained increased threat intelligence and proactive monitoring as well as protection of key manufacturing sites, systems and processes to prevent disruption to vaccine-related activities from potential cyber threats. We also maintained heightened privacy support and guidance for on-site COVID-19 testing, vaccine campaigns and pandemic initiatives.

Increased security capabilities at critical manufacturing sites and product certifications: As part of our ongoing efforts to enhance the resilience of our supply chain in meeting the product needs of our patients and consumers and reduce the risk of Johnson & Johnson being unable to manufacture or ship critical products because of a cyber event, in 2021, we deployed new cybersecurity capabilities at critical manufacturing and distribution sites and enhanced third-party due diligence. Additionally, in 2021, we obtained ISO 27001 certifications for multiple products, including products from both the MedTech and Pharmaceutical business segments.

Maintaining global cybersecurity and privacy compliance: In 2021, we continued our commitment to protecting our valued information resources, such as IP and personal data, by expanding and automating our data protection capabilities. With the ongoing growth and evolution of global privacy and cybersecurity legal requirements designed to protect the rights of consumers, patients, HCPs and employees, we expanded our efforts to develop enhanced programs to ensure compliance with these new requirements while actively engaging with policymakers to help address critical issues in the rapidly changing privacy and data protection landscape. Our focus areas included the newly established cybersecurity and data privacy laws in China, evolving legal and regulatory laws in various U.S. states, South Korea, Thailand and South Africa.

We also continued to work with our businesses to integrate privacy and information security controls into designated data-driven initiatives (including data science, clinical operations, digital surgery and robotics, and e-commerce) and implement key standardized processes across Johnson & Johnson, designed to consistently support the rights of consumers and patients for the management of their personal data.

Maintaining awareness and vigilance among our employees: It is critical that all employees at Johnson & Johnson maintain an always-on awareness of their role in protecting information and data privacy and know what to do when faced with potential threats and breaches. In addition to our annual mandatory training on privacy and information security for employees (and contractors), regular communications and reminders, we dedicate the months of January and October each year respectively to privacy and cybersecurity awareness. In 2021, January was dedicated to International Privacy Day communications, and October was filled with activities to inform, engage and update employees on matters relating to information security.

66

At the core of our work lies digital security and data—within Johnson & Johnson, throughout our value chain—and for all those who rely on us. We prioritize the sensitivity of the information we handle and build frameworks that lock in patient security and ensure the protection of personal information entrusted to us. We share our learning externally to improve industry practices and shape regulatory protocols for the benefit of all.

Marene Allison

Chief Information Security Officer, Johnson & Johnson

Reporting Hub

Read on in this section for additional information on:

The following additional downloads supplement the 2021 Health for Humanity Report:

detailing our performance against the following ESG standards and frameworks: Global Reporting Initiative (GRI) Content Index; Global Reporting Initiative (GRI) Culture of Health for Business; Sustainability Accounting Standards Board (SASB) Index; Task Force on Climate-related Financial Disclosures (TCFD); UNGC Communication on Progress (UNGC); Norges Bank Investment Management (NBIM)





Financial Results			
Financial Results (Millions)	2021	2020	2019
Total sales	\$93,775	\$82,584	\$82,059
Net earnings	\$20,878	\$14,714	\$15,119
Market price per share (year-end close)	\$171.07	\$157.38	\$145.87
R&D investment	\$14,714	\$12,159	\$11,355
Sales by business segment			
Pharmaceutical	\$52,080	\$45,572	\$42,198
MedTech	\$27,060	\$22,959	\$25,963
Consumer Health	\$14,635	\$14,053	\$13,898
Number of consecutive years of dividend increases ¹	60	59	58

Tax Contribution (Billions)	2021	2020
Payroll & social insurance taxes borne	\$1.5	\$1.3
Payroll & social insurance taxes collected	\$4.6	\$4.3
Sales/use & other taxes borne	\$0.9	\$0.8
Sales/use & other taxes collected	\$1.3	\$1.0
Corporate income tax	\$4.8	\$4.6
Total taxes borne	\$7.2	\$6.7
Total taxes collected	\$6.0	\$5.3
Total tax contribution	\$13.1	\$12.0

¹ Includes dividend declared in April 2022.

Global Health Equity	
VERMOX Donations	2021
Number of VERMOX (mebendazole) doses donated (millions)	
Annual total ¹	220.71
Via donations to the WHO	144
Via other and private donations	77
Cumulative doses donated since the start of the initiative through the WHO and private donations (billions)	2.0
Number of countries where VERMOX (mebendazole) doses were donated	55

Access to Tuberculosis Treatment	2021	2020	2019
Annual number of patients receiving access to bedaquiline molecule (branded and generic)	137,927	133,565	105,365
Access to Medicine	2021	2020	2019
Number of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme	6	6	6
Number of products on the WHO List of Prequalified Vaccines as part of its Prequalification of Vaccine Programme	2	0	0
% change in average net price across U.S. product portfolio vs. prior year²	(2.8)%	(5.7)%	(1.2)%
Our Giving (Millions)	2021	2020	2019
Total products and cash contributed	\$2,738‡	\$2,567+	\$1,806 ⁺
Products contributed	\$2,303 [‡]	\$2,043+	\$1,383+
Cash contributed	\$435 [‡]	\$524+	\$423+
Disaster Relief (Millions)	2021	2020	2019
Total allocated for immediate, mid- and long-term response and readiness to natural disasters	\$0.29	\$0.57	\$0.70
\$ worth of Johnson & Johnson products provided to communities impacted by natural disasters	\$6.69	\$1.86	\$36.70

[‡] See <u>PwC's Report of Independent Accountants and Management's Assertion</u>.

 $^{+\,{\}sf See\,PwC's\,Report\,of\,Independent\,Accountants\,in\,the\,2020\,and\,2019\,\,{\sf Health\,for\,Humanity\,Report.}}$

 $^{^{\}rm 1}$ 2021 doses donated include VERMOX (mebendazole) chewable and tablet formulations.

² Represents the year-over-year change in the average net price, which is list price less rebates, discounts and fees.



Our Employees			
Global Employees	2021	2020	2019
Total number of employees ^{1, 2}	144,315 [‡]	136,360+	137,701+
Women	49.0% [‡]	48.1% ⁺	47.8%+
Men	50.9% [‡]	51.9%	52.2%
Declined to answer ¹	0.1% [‡]	0%	Not reported
Region			
Asia Pacific	29,517 [‡]	27,939+	28,195 ⁺
Europe, Middle East & Africa	42,429 [‡]	41,201+	42,582+
Latin America	23,441 [‡]	20,320+	20,182+
North America	48,928 [‡]	46,900 ⁺	46,742+

Gender Representation		2021			2020			2019	
	Women	Men	Declined to Answer ¹	Women	Men	Declined to Answer ¹	Women	Men	Declined to Answer ¹
Region									
Asia Pacific	47.4% [‡]	52.6% [‡]	0%‡	46.2%+	53.8%	0%	46.0%+	54.0%	Not reported
Europe, Middle East & Africa	50.3% [‡]	49.7% [‡]	0% [‡]	49.8%+	50.2%	0%	49.7%+	50.3%	Not reported
Latin America	53.3% [‡]	46.7% [‡]	0% [‡]	51.1% ⁺	48.9%	0%	50.2%+	49.8%	Not reported
North America	46.9% [‡]	52.9% [‡]	0.2% [‡]	46.3%+	53.6%	0%	46.1% ⁺	53.9%	Not reported
Employment Type									
Full-time employees	48.1% [‡]	51.8% [‡]	0.1 % [‡]	47.1%+	52.9%	0%	46.7%+	53.3%	Not reported
Part-time employees	83.5% [‡]	16.5% [‡]	0% [‡]	82.9%+	17.1%	0%	82.6%+	17.4%	Not reported
Job Category ³									
Vice Presidents	38.9% [‡]	60.9% [‡]	0.2% [‡]	35.3%+	64.7%	0%	34.2%+	65.8%	Not reported
Managers and Directors ⁴	48.3% [‡]	51.7% [‡]	0.1% [‡]	46.8%+	53.2%	0%	46.2%+	53.8%	Not reported
Professionals ⁴	50.5% [‡]	49.4% [‡]	0% [‡]	49.8%+	50.2%	0%	49.5%+	50.5%	Not reported
Management and Executive Positions ³									
Women in management positions	48.0% [‡]			46.4%+			45.8% ⁺		
Women in executive positions	14.3% [‡]			14.3%+			14.3%+		



Diversity in Board Composition	2021	2020	2019
Women	35.7% [‡]	35.7%+	28.6%+
Ethnic/Racial Diversity	21.4% [‡]	21.4%+	21.4%+
Age Diversity by Job Category	2021	2020	2019
Vice Presidents			

Age Diversity by Job Category	2021	2020	2019
Vice Presidents			
Under 30	0% [‡]	0%+	0%+
30 – 50	43.5% [‡]	44.2%+	46.3%+
51+	56.5 % [‡]	55.8% ⁺	53.7%+
Managers and Directors			
Under 30	1.5% [‡]	1.3%⁺	1.3%+
30 – 50	72.2 % [‡]	72.4%+	73.2%+
51+	26.3% [‡]	26.4%+	25.6%+
Professionals			
Under 30	22.7% [‡]	20.7%+	21.4%+
30 – 50	60.0% [‡]	61.7%+	61.7%+
51+	17.3% [‡]	17.5% ⁺	16.9%

Ethnic/Racial Diversity in the U.S. by Job Category	2021	2020	2019
Vice Presidents			
White	70.7% [‡]	72.7%	75.4%
Asian	11.7% [‡]	11.2%	10.4%
Black/African American	7.3% [‡]	6.6%	6.7%
Hispanic/Latino	8.3% [‡]	8.4%	6.9%
Other	1.9% [‡]	0.9%	0.6%
Declined to answer ¹	0.1% [‡]	0.1%	Not reported

Ethnic/Racial Diversity in the U.S. by Job Category (Cont.)	2021	2020	2019
Managers and Directors⁴			
White	64.5% [‡]	67.7%	70.2%
Asian	18.3% [‡]	17.2%+	16.6%+
Black/African American	6.3% [‡]	5.4%+	5.0%+
Hispanic/Latino	7.7 % [‡]	7.3%+	7.0%+
Other	1.9% [‡]	1.3%+	1.2%+
Declined to answer ¹	1.4% [‡]	1.1%+	Not reported
Professionals			
White	64.2% [‡]	66.4%	68.0%
Asian	13.4% [‡]	12.9%+	12.0%+
Black/African American	7.7 % [‡]	7.5%+	7.6%+
Hispanic/Latino	10.4% [‡]	10.2%+	10.4%+
Other	2.5% [‡]	2.2%+	2.0%+
Declined to answer¹	1.8% [‡]	0.9%+	Not reported

2021 22,543 [‡]	2020 13,594 ⁺	2019 21,948 ⁺
22,543 [‡]	13,594+	21,948+
25.6% [‡]	28.4%+	28.9%+
16.7% [‡]	22.7%+	27.0%+
29.2% [‡]	22.4%+	16.5% ⁺
28.4% [‡]	26.4%+	27.6%+
54.0% [‡]	52.5%+	51.4% ⁺
45.8% [‡]	47.5%+	48.6%
0.2% [‡]	0%+	Not reported
47.5% [‡]	46.5%+	52.7% ⁺
47.6% [‡]	48.5%+	42.8%+
4.9% [‡]	4.9%+	4.5%+
	16.7% [‡] 29.2% [‡] 28.4% [‡] 54.0% [‡] 45.8% [‡] 0.2% [‡] 47.5% [‡]	16.7% [‡] 22.7% ⁺ 29.2% [‡] 22.4% ⁺ 28.4% [‡] 26.4% ⁺ 54.0% [‡] 52.5% ⁺ 45.8% [‡] 47.5% ⁺ 0.2% [‡] 0% ⁺ 47.5% [‡] 46.5% ⁺ 47.6% [‡] 48.5% ⁺



Employee Retention and Turnover	2021	2020	2019
Managers ⁵ and above moved across functions, country or business segment lines	45.8% [‡]	44.6%+	42.6% ⁺
Overall voluntary turnover	8% [‡]	5% ⁺	8%+
Voluntary turnover of high performers	4 % [‡]	3%+	4%+
Parental Leave	2021	2020	2019
Gender composition of U.S. employees who took parental leave			
Women	43%	45%	47%
Men	57%	55%	53%
Gender composition of U.S. employees who returned to work after parental leave ended			
Women	93%	97%	98%
Men	89%	97%	100%
Year-End Performance Reviews Completed by Job Category	2021	2020	2019
Vice Presidents	87%	83%	76%
Managers and Directors	94%	93%	90%
Professionals	95%	93%	90%
Other ⁶	87%	88%	82%
Overall for all employees	94%	93%	89%
Training & Development	2021	2020	2019
Number of leaders participated in our Enterprise Leader Development Program (annual)	1,929	3,206	3,537
Number of leaders trained in our Enterprise Leader Development Program (cumulative)	13,131	11,202	7,996
Number of U.S. and Puerto Rico employees participated in the tuition reimbursement program	1,189	1,178	1,262

Spend on Employee Learning and Development (Millions)	2021	2020	2019
Leadership training and executive coaching	\$64	\$18	\$27
Professional skills	\$63	\$56	\$52
Tuition and external certifications	\$11	\$16	\$11
Operations, administration and e-learning	\$10	\$17	\$7
Health Care Compliance training	\$2	\$2	\$2
Total	\$150	\$108	\$98

2021 Our Voice Survey Results	2021
Number of languages available	36 [‡]
Number of countries administered	77 [‡]
Response rate (among all active employees)	91% [‡]
Increase in participation compared to 2019 (among all eligible employees)	1%
Favorability rate	82% [‡]
Increase in favorability compared to 2019 on like-to-like questions	2%
Percentage agreed with the statement:	
I am willing to give extra effort to help Johnson & Johnson meet its goals.	94% [‡]
I would recommend Johnson & Johnson as a great place to work.	87% [‡]
In my workgroup, we eliminate practices that stand in the way of achieving results.	71 % [‡]
I would like to be working at Johnson & Johnson one year from now.	91% [‡]
Leaders in my organization demonstrate that integrity, quality and compliance are top priorities through their words and actions.	86% [‡]



Employee Resource Groups (ERGs)	2021	2020	2019
Number of employees engaged in ERGs	28,135	24,304	21,611
Number of U.S. ERG chapters	270	260	255
Number of non-U.S. ERG chapters	208	183	176
Number of WeSustain teams (global)	78	Not reported	Not reported
Number of countries with WeSustain teams	32	Not reported	Not reported
Number of actions taken in 2021 via the HealthyPlanet platform	24,609	Not reported	Not reported

Employee Safety	2021	2020	2019
Employee Safety,7 Global			
Lost Workday Case rate ⁸	0.06 [‡]	0.05+	0.07+
Total Recordable Injury Rate	0.30 [‡]	0.24+	0.31*
Serious Injury and Illness Case rate	0.02 [‡]	0.02+	0.04+
Number of fatalities	O‡	O ⁺	0+
Employee Safety ⁷ by Region			
Lost Workday Case rate ⁸			
Asia Pacific	0.06 [‡]	0.02+	0.06+
Europe, Middle East & Africa	0.06 [‡]	0.04+	0.05+
Latin America	0.07 [‡]	0.08+	0.06+
North America	0.07 [‡]	0.07+	0.08+
Total Recordable Injury Rate			
Asia Pacific	0.14 [‡]	0.08+	0.12+
Europe, Middle East & Africa	0.29 [‡]	0.21+	0.27+
Latin America	0.26 [‡]	0.18 ⁺	0.25+
North America	0.37 [‡]	0.35+	0.42+
Serious Injury and Illness Case rate			
Asia Pacific	0.01 [‡]	0.02+	0.04+
Europe, Middle East & Africa	0.02 [‡]	0.01+	0.03+
Latin America	0.02 [‡]	0.01+	0.02+
North America	0.04 [‡]	0.04+	0.06+

Road Safety ^e	2021	2020	2019
Crashes per Million Miles (CPMM) rate	4.83	4.86	5.54
Injuries per Million Miles (IPMM) rate	0.07	0.05	0.06

‡ See PwC's Report of Independent Accountants and Management's Assertion.

+ See PwC's Report of Independent Accountants in the 2020 and 2019 Health for Humanity Report.

1 As of October 2020, new categories were added to allow employees to actively decline self-identification or remain unidentified.

² "Employee" is defined as an individual working full-time or part-time, excluding fixed-term employees, interns and co-op employees. Employee data may not include full population from more recently acquired companies, and individuals on long-term disability are excluded. Contingent workers, contractors and subcontractors are also excluded. Fixed-term contracts make up less than 5% of total employees plus individuals on fixed-term contracts. Johnson & Johnson is not currently able to disclose the number of individuals on fixed-term contracts in 2021. We are working to make this information available in future.

³ Professional positions are defined as pay grades 20-26. Management positions are defined as pay grade 30 and above; executives are defined as employees reporting directly to the CEO.

⁴ Values have been rounded to the nearest tenth. Due to rounding, the numbers presented do not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

⁵ Career progression movement includes upward promotion and lateral transfer, and excludes employees in the R&D organizations.

⁶ Category includes employees who don't have a merit plan as part of their compensation package.

⁷ LWDC rate, TRIR, SIIC rate, and fatalities are calculated for Johnson & Johnson employees and contingent workers. 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.

⁸ "Lost days" are calendar days counted beginning the day after an incident has taken place.

⁹ 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 duties, 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.



Environmental Health			
Energy Use ¹	2021	2020	2019
Total energy use (TJ)	11,947	11,954	12,702
From renewable sources	3,355	3,483	2,118
From non-renewable sources	8,593	8,471	10,584
Energy intensity ratio (TJ/billion \$)²	127	145	155
Percentage change in energy intensity compared to 2016 baseline (TJ/billion \$) ³	(29)%	(19)%	(13)%
Percent renewable electricity by region			
North America	67%⁰	72%∆	Not reported
Europe	79%⁰	82%∆	Not reported
Purchased energy use by type (TJ) ¹			
Electricity	5,885	5,922	6,421
Natural gas	4,480	4,412	4,808
Diesel	507	613	465
Direct heating/cooling	312	265	274
Propane	44	53	51
Biogas	31	28	26
Fuel oil	9	13	15
Total purchased energy	11,267	11,306	12,059
On-site generated energy use by type (TJ) ¹			
Co-generation	456	418	439
Wind	111	129	97
Solar PV	86	73	78
Geothermal	21	18	6
Fuel cell	4	7	22
Biomass	3	2	2
Total on-site generated energy	681	647	643

Energy Use¹ (Cont.)	2021	2020	2019
On-site clean/renewable energy capacity by type ⁴			
Solar PV	44%	37%	39%
Co-generation	29%	32%	31%
Wind	23%	25%	25%
Geothermal	2%	3%	2%
Biomass	2%	2%	2%
Fuel cell	1%	1%	1%
On-site clean/renewable energy technology capacity, (MW)	67.2	61.4	62.7
Electricity generated from renewable sources	52%⁰	54%∆	30%∆

Greenhouse Gas (GHG) Emissions	2021	2020	2019
Scope 1 GHG emissions, total (MT CO ₂ e) ⁵	367,674°	363,686△	426,074△
Scope 1 GHG emissions by source (MT CO ₂ e) ⁵			
Facilities ¹	264,669	268,448	288,200
Sales fleet ¹⁶	81,093	76,720	114,681
Refrigerants ¹⁷	13,569	14,139	12,979
Aviation	8,344	4,378	10,215
Scope 2 GHG emissions, facilities (MT CO ₂ e) ^{1,5}			
Location-based	616,093°	610,320△	629,674 ^Δ
Market-based ⁶	397,086°	383,480△	542,756△
Scope 1 + Scope 2 GHG emissions, total (MT CO ₂ e)	764,760°	747,166△	968,830△
GHG emissions intensity (Scope 1 + Scope 2) by revenue (MT CO ₂ e/million \$)	8	9	12
Percentage decrease in GHG emissions intensity (Scope 1 + Scope 2) by revenue compared to 2016 baseline (MT CO ₂ e /million \$)	50%	44%	27%



Greenhouse Gas (GHG) Emissions (Cont.)	2021	2020	2019
Scope 3 GHG emissions, by source (MT CO ₂ e) ^{5, 15}			
Purchased goods and services ⁷	6,605,416°	6,244,849△	6,211,425△
Upstream transportation and distribution ⁷	1,541,624°	1,456,295△	1,512,901△
Business travel ^{7,8}	225,317°	218,535△	757,832△
Employee commuting ⁹	117,192	131,128	267,881
Capital goods ⁷	207,060◊	201,126△	222,883△
Fuel- and energy-related activities ¹⁰	241,0210	183,087△	190,386△
Upstream leased assets ¹¹	24,657°	28,969△	39,830△
Waste generated in operations ¹²	8,759°	8,065△	3,618△
Downstream transportation and distribution ¹³	Available 12/22	55,332⁰	58,184△
Use of sold products ¹⁷			
Direct	76,721	108,165	168,612
Indirect	8,087,123	7,635,771	7,248,612
End-of-life treatment of sold products ¹⁴	223,963	223,038	209,994
Restatement of Select Scope 3 Categories by Source			

Restatement of Select Scope 3 Categories by Source (MT CO ₂ e) ^{5, 15}	2018	2017	2016
Purchased goods and services ⁷	6,166,870	5,775,434	5,937,694
Upstream transportation and distribution ⁷	1,464,439	1,389,387	1,384,751
Business travel ^{7,8}	872,399	777,550	823,258
Capital goods ⁷	198,575	174,014	173,646

CO ₂ Capital Relief Fund	2021	2020	2019
Number of projects approved	11	16	16
Number of projects completed	19	10	14
Cumulative projects approved since 2005	291	280	266
Cumulative projects completed since 2005	260	241	231
Amount spent on projects, annual (millions)	\$24	\$33	\$25
Cumulative spend on completed projects since 2005 (millions)	\$470	\$445	\$431
Total annual energy cost savings as a result of completed projects since 2005 (millions)	\$87	\$83	\$80
Total annual energy savings as a result of completed projects since 2005 (TJ) ¹⁸	2,512	2,345	2,247
Total annual GHG emissions avoided as a result of completed projects since 2005 (MT CO ₂ e)	313,965	298,905	287,931

Air Emissions (MT)	2021	2020	2019
Hazardous air pollutant (HAP) emissions	43.35	34.62	39.98
Mono-nitrogen oxides (NOx) emissions	37⁰	45△	35△
Ozone-depleting substances emissions	1.28	1.86	1.11
Ozone-depleting substances emissions (MT of CFC-11 equivalents)	0.05	0.09	0.05
Particulate matter (PM) emissions	67.10	89.20	116.56
Refrigerant emissions	8.65	9.58	8.01
Sulfur oxides (SOx) emissions	53⁰	65∆	51∆
Volatile organic compound (VOC) emissions	449.15	366.08	394.07



Water Use (Million m³)	2021	2020	2019
Total water withdrawn	11.04°	11.09	11.71
Total water consumed ¹⁹	3.89°	3.77	4.01
Total water recycled and reused	0.81°	0.75	0.81
Total water discharge ¹⁹	7.15°	7.32	7.67
Percentage of water withdrawn in regions of high or extremely high baseline water stress	40%⁰	39%	39%
Percentage of water consumed in regions of high or extremely high baseline water stress	52%⁰	50%	48%
Water withdrawn by source			
Municipal	7.70	7.72	8.68
Groundwater	3.06	3.08	2.85
Rainwater	0.15	0.06	0.03
Other	0.09	0.06	0.07
Gray water	0.02	0.15	0.06
Surface water	0.01	0.02	0.02
Total water use	11.04	11.09	11.71
Water withdrawn in areas of high or extremely high baseline water stress by source			
Municipal	3.20	Not reported	Not reported
Groundwater	1.02	Not reported	Not reported
Rainwater	0.13	Not reported	Not reported
Other	0.09	Not reported	Not reported
Gray water	0.01	Not reported	Not reported
Surface water	0	Not reported	Not reported
Total water use in areas of high or extremely high baseline water stress	4.45	Not reported	Not reported
Water discharge by destination			
Wastewater treatment plant	4.81	5.12	5.46
Surface water	1.85	2.00	2.12
Irrigation	0.26	0.19	0.19
Ocean	0.18	0.18	0.12
Other	0.06	0.07	0.06
Total water discharge	7.15	7.56	7.95

Operational Waste (MT)	2021	2020	2019
Total waste generated ²⁰	194,836	183,558	195,272
Hazardous waste	52,180	53,944	53,425
Non-hazardous waste ²⁰	142,656	129,614	141,848
Waste diverted from disposal			
Hazardous waste			
Recycled	25,207	22,813	25,897
Energy recovery	16,599	19,836	16,684
Reused	1,457	2,234	1,756
Non-hazardous waste			
Recycled	92,206	82,184	83,118
Energy recovery	18,724	17,969	20,793
Reused	12,451	13,271	13,282
Total waste diverted from disposal	166,645	158,309	161,530
Waste directed to disposal			
Hazardous waste			
Landfilled	2,380	2,533	3,449
Incinerated	5,146	4,824	3,373
Bio/chemical treatment	1,269	1,599	2,181
Other	121	104	86
Non-hazardous waste			
Landfilled ²⁰	9,424	8,384	12,512
Incinerated	1,965	2,799	2,923
Bio/chemical treatment	7,808	4,948	9,192
Other	78	59	28
Total waste directed to disposal	28,192	25,250	33,744

EH&S Compliance and Certifications	2021	2020	2019
Number of manufacturing and R&D sites certified to ISO 14001 ^{21, 22}	92 [‡]	95⁺	100⁺
Percentage of manufacturing and R&D sites certified to ISO 14001 ^{21, 22}	89% [‡]	96%+	97%+
Percentage of manufacturing and R&D sites certified to ISO 45001 ^{21,22}	17% [‡]	21%+	24%+
Number of environmental non-compliances ^{23, 24}	34‡	50⁺	61 ⁺
Fines paid for environmental non-compliances (thousands) ^{24, 25}	\$3.6 [‡]	\$5.9+	\$41 ⁺

LEED Buildings	2021	2020	2019
Number of newly LEED-certified Johnson & Johnson buildings (annual)	7	6	2
Number of Johnson & Johnson buildings that are LEED-certified (total)	67	60	54
Percentage of Johnson & Johnson built space that is LEED-certified (total)	15.9%	14.5%	13%
Total area of office and building space that is LEED-certified (million square feet)	9.4	8.7	8.0

Product End of Life (Millions)	2021	2020	2019
Number of medical devices collected in U.S.	0.93	1.60	2.45
Number of medical devices reprocessed in U.S.	0.39	0.67	1.12

- Metric has been assured by ERM CVS. See GHG Emissions, Electricity and Water Data ERM CVS.
- Δ See ERM CVS's independent assurance statements in the 2020 and 2019 Health for Humanity Reports.
- ‡ See PwC's Report of Independent Accountants and Management's Assertion.
- + See PwC's Report of Independent Accountants in the 2019 and 2020 Health for Humanity Report.
- 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 a denominator for energy intensity. Energy intensity ratio includes electricity, stationary fuels and district heating and cooling.
- ³ 2019 and 2020 figures are restated to reflect updated baseline.
- ⁴ Values have been rounded to the nearest whole number. Due to rounding, the numbers presented do not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.
- ⁵ In accordance with guidance from World Resources Institute Corporate Accounting and Reporting Standard, we restated the 2019 and 2020 values to reflect newly released electricity grid emission factors as well as the 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., CH., N.O and HFCs. Perfluorinated chemicals, sulfur hexafluoride and nitrogen trifluoride do not result from our operations. Biogenic CO_a emissions in 2021 were 1,758 MT CO_a. Electricity emission factors are obtained from the International Energy Agency's CO. Emissions from Fuel Combustion Report; the U.S. Environmental Protection Agency's eGRID publication for location-based Scope 2 reporting, and supply contracts and residual emission factors, where available, for market-based Scope 2 reporting, Fuel emission factors are obtained from the EPA Climate Leadership 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.
- ⁶ We did not report Scope 2 emissions using the market-based method prior to 2017. Starting from 2017, we have reported 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.
- ⁷ 2016-2020 data for certain Scope 3 upstream categories is restated to adjust for inflation. Emissions were calculated using Company spend in the reporting year paired with appropriate economic input/output (IO) emission factors from the Carnegie Mellon 2002 data set. Where more specific primary data were able to be obtained, they were used in place of the IO calculation methodology.
- ⁸ Business travel emissions from personal vehicle travel reflect CO_o only.
- 9 Data from a 2021 survey of a sample of employees in all regions, extrapolated for all employees globally, were used to estimate average employee commuting and remote working emissions intensity per employee. This value was used to calculate 2021 emissions from Employee Commuting.
- 10 Emissions from fuel- and energy-related activities were calculated for emissions from transmission and distribution (T&D) losses from purchased electricity, well-to-tank (WTT) emissions from purchased electricity, WTT emissions from T&D losses, and WTT emissions from purchased fuels. Emissions were calculated using IEA loss factors for electricity and DEFRA WTT emission factors for fuels and electricity.
- " 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 square feet, or those greater than 50,000 square feet outside of our operational control which are excluded from Scope 1 and Scope 2 reporting.
- 12 Emissions from Waste Generated in Operations were calculated for both non-hazardous and hazardous waste from manufacturing and R&D operations using DEFRA's emissions factors for waste. In years prior to 2020, only non-hazardous waste emissions were reported.
- 18 Emissions from Downstream Transportation and Distribution were calculated using the U.S. EPA's SmartWay Program and are provided for U.S. shippers only. GHG covered in these calculations include CO_o only for the 2020 calendar year, the most up-to-date available. 2021 data will be available in December of 2022 and will be reported in future reports. We have identified a level of uncertainty around the reporting boundary, and the reported value is potentially overstated.
- 14 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. Due to 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 due to 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.
- 15 Emissions from the Processing of Sold Products, Downstream Leased Assets, Franchises and Investments are not applicable to Johnson & Johnson operations.
- ¹⁶ Greenhouse gases covered in these calculations include CO₂ only.
- ¹⁷ Includes site-specific data from all Johnson & Johnson manufacturing and R&D sites only.
- 18 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.
- ¹⁹ Due to a unit conversion error, 2019 and 2020 figures are restated.
- 20 2020 figures are restated.
- 21 Certified to ISO 14001 or ISO 45001 means the site has received an external certification that is valid as of December 31, 2021. The decrease in sites with ISO 14001 certifications is driven in part by a decrease in overall Johnson & Johnson-owned manufacturing and R&D sites.
- 22 The denominator of total manufacturing and R&D sites excludes small R&D and manufacturing sites (defined as having less than 50 employees) and newly acquired sites (i.e., owned less than three years as of December 31, 2021).
- 23 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.
- ²⁴ Environmental non-compliances and fines paid exclude newly acquired sites (i.e., owned less than two years as of December 31, 2021).
- 25 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 as of December 31, 2021.



Accountability & Innovation			
Supply Base Overview	2021	2020	2019
Number of Johnson & Johnson suppliers	45,324	51,280	57,663
Total Johnson & Johnson supplier spend (billions) ¹	\$34.8	\$30.6	\$30.1
Supplier spend contracted by region ¹			
Asia Pacific	9%	11%	11%
Europe, Middle East & Africa	34%	33%	33%
Latin America	3%	3%	4%
North America	55%	53%	52%
Supplier spend contracted by business segment ¹			
Pharmaceutical	37%	34%	31%
MedTech ²	28%	24%	24%
Consumer Health ²	24%	30%	32%
Corporate	12%	12%	13%

Supplier Engagement	2021	2020	2019
Number of suppliers invited to participate in the CDP Supply Chain Climate program	388	423	344
Percentage participated	82%	80%	84%
Number of suppliers invited to participate in the CDP Supply Chain Water program	135	153	112
Percentage participated	75%	79%	84%
EcoVadis assessments completed ³	881	1,119	750
Supplier risk ranking based on EcoVadis assessments			
Low risk	635	729	462
Medium risk	213	349	259
High risk	33	41	29

Diverse Supplier Spend in the U.S. (Millions) ⁵	2021	2020	2019
Tier 1 Diverse	\$2,214	\$1,670	\$1,610
Total LGBT-owned	\$9.2	\$4.5	\$3.7
Total Veteran- and disabled veteran-owned	\$197.4	\$193.2	\$169.6
Small business	\$2,641	\$2,650	\$2,610
Percentage of total supplier spend attributable to small suppliers	14%	17%	18%
Percentage of total supplier spend attributable to diverse suppliers	12%	11%	11%
Total Global Impact Spend (billions) ⁴	5.22⁰	Not reported	Not reported
% increase of Tier 1 diverse spend with U.S. Black-and Hispanic-owned businesses	31%	Not reported	Not reported

Diverse Supplier Spend, Global (Millions)⁵	2021	2020	2019
Number of countries outside the U.S. tracking diversity & inclusion indicators	18	16	16
Tier 1 Women-owned	\$1,223.9	\$826.0	Not reported
Tier 1 Minority-owned	\$1,785.1	\$1,223.4	Not reported
Tier 1 LGBT-owned	\$11.0	Not reported	Not reported
Tier 1 Veteran- and disabled veteran-owned	\$127.9	Not reported	Not reported
Total Veteran- and disabled veteran-owned	\$206.3	Not reported	Not reported
Tier 1 Diverse supplier spend in countries outside the U.S.	\$668.7	\$290.0	Not reported
Total Tier 1 Diverse (billions)	\$2.9	Not reported	Not reported
Tier 2 Diverse	\$508.7	\$372.1	Not reported



Supplier Audits	2021	2020	2019
Supplier Environment, Health and Safety (EH&S) audits			
EH&S audits and technical visits completed, total	164	156	206
EH&S audits	124	104	134
Technical visits ⁶	40	52	72
EH&S audits and technical visits by region			
Asia Pacific	133	133	174
Europe, Middle East & Africa	11	13	13
Latin America	10	2	7
North America	10	8	12
Number of suppliers identified as high risk for non-conformance to Johnson & Johnson Responsibility Standards for Suppliers	21	24	32
Number of critical EH&S findings ⁷ identified as a result of EH&S audits	9	2	34
Safety-related findings	8	2	23
Environmental-related findings	1	0	11
Supplier social audits ⁸			
Supplier social audits completed, total	11	5	50
Completed using SMETA 4-Pillar protocol	11	5	37
Social audits completed by region			
Asia Pacific	8	4	37
Europe, Middle East & Africa	2	0	5
Latin America	1	1	6
North America	0	0	2
Number of critical findings ⁷ identified as a result of supplier social audits	1	3	5

Board of Directors' Composition	2021	2020	2019
Number of Directors	14	14	14
Number of Independent Directors	13	13	13
Percentage of Independent Directors	93%	93%	93%
Independent Lead Director	Yes	Yes	Yes
Independent Audit Committee	Yes	Yes	Yes
Independent Compensation & Benefits Committee	Yes	Yes	Yes
Independent Nominating & Corporate Governance Committee	Yes	Yes	Yes
Independent Regulatory Compliance Committee	Yes	Yes	Yes
Independent Science, Technology & Sustainability Committee	Yes	Yes	Yes
Number of regular and special meetings held by the Board of Directors	17	10	9
Code of Business Conduct (CBC) Training	2021	2020	2019
Percentage of active employees who completed biennial CBC training	98%	Not reported	97%
Percentage of active contingent workers ⁹ who completed biennial CBC training	97%	Not reported	91%
Code of Business Conduct (CBC) Compliance	2021	2020	2019
Percentage of senior leaders certified the compliance of their organizations with the CBC ¹⁰	100%	100%	100%
Number of warning letters or untitled letters issued by OPDP or APLB in the U.S. ¹¹	0	0	0
Health Care Compliance (HCC) Training	2021	2020	2019
Number of relevant Johnson & Johnson employees that completed HCC training that includes anti-corruption section	98,000	81,000	90,000
Percentage of sales and marketing employees who completed HCC training	97%	96%	95%



Inquiries and Complaints as Recorded with Our Credo Integrity Line by Category ¹³	2021	2020	2019
Human Resources-related	55% [‡]	51%⁺	60%
Business integrity-related	14% [‡]	12%+	6%
Other	9% [‡]	11%+	8%
General information questions	8% [‡]	10%⁺	11%
Financial-related	7% [‡]	14%+	13%
Human rights-related	5% [‡]	Not reported	Not reported
Product quality- and patient safety-related	2% [‡]	2%+	2%
	2021	2020	2019
Compliance-Related Allegations Investigated Through	2021	2020	2019
Triage Committee Number of compliance-related allegations investigated	2021 661 [‡]	2020 559+	
Triage Committee Number of compliance-related allegations investigated Percentage of compliance-related allegations			
Triage Committee Number of compliance-related allegations investigated Percentage of compliance-related allegations			738
Triage Committee Number of compliance-related allegations investigated Percentage of compliance-related allegations investigated by category	661 [‡]	559⁺	738
Triage Committee Number of compliance-related allegations investigated Percentage of compliance-related allegations investigated by category Healthcare compliance	661 [‡]	559 +	738 40% 50%
Triage Committee Number of compliance-related allegations investigated Percentage of compliance-related allegations investigated by category Healthcare compliance Financial	661 [‡] 48% [‡] 43% [‡]	559 + 41%+ 51%+	738 40% 50%
Triage Committee Number of compliance-related allegations investigated Percentage of compliance-related allegations investigated by category Healthcare compliance Financial	661 [‡] 48% [‡] 43% [‡]	559 + 41%+ 51%+	2019 738 40% 50% 10%

Employees covered by collective bargaining agreements	30%	25%	2076
Product Quality Indicators	2021	2020	2019
Number of regulatory inspections of Johnson & Johnson sites by worldwide health authorities	448‡	452 ⁺	521 ⁺
Percentage of regulatory inspections that resulted in zero observations	76 % [‡]	82%+	73%+
Number of FDA inspections of Johnson & Johnson sites	9 [‡]	10⁺	17+
Percentage of FDA inspections that resulted in zero observations	56% [‡]	80%+	76% ⁺
Average number of observations per FDA inspection	2.4 [‡]	1.7⁺	0.6⁺
Number of independent audits of Johnson & Johnson sites to ensure compliance with Johnson & Johnson Quality Policy & Standards	170‡	165⁺	156 ⁺

Product Quality Indicators (Cont.)	2021	2020	2019
Number of independent audits of external manufacturing sites to ensure compliance with Johnson & Johnson Quality Policy & Standards	277 [‡]	230⁺	264⁺
Number of FDA warning letters issued	O‡	0+	1+
Product recall rate ¹⁵ by business segment			
Pharmaceutical	0% [‡]	0%+	0.002%
MedTech	0.059% [‡]	0.034%+	0.041%
Consumer Health Self-Care OTC ¹⁶	0% [‡]	0%+	0.091%

Anti-Counterfeiting	2021	2020	2019
Anti-counterfeiting best practices training delivered to customs and border patrol officials ¹⁷	3,960	3,164	Not reported
Number of external trade groups, alliances, organizations and agencies in which Johnson & Johnson is engaged in leadership positions or industry working groups	13	7	9

- ♦ Metric has been assured by ERM CVS. See <u>Health for Humanity 2025 Goals First Year of Progress ERM CVS.</u>
- ‡ See PwC's Report of Independent Accountants and Management's Assertion.
- + See PwC's Report of Independent Accountants in the 2020 and 2019 Health for Humanity Report.
- 1 Represents spend we have control over/addressable spend, defined as products and services that procurement teams can negotiate with suppliers to meet business goals. Values have been rounded. Due to rounding, the numbers presented do not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.
- ² Due to a categorization error, 2019 and 2020 figures are restated. Consumer MedTech supplier spend is included in the MedTech business segment. It had historically been reported as part of the Consumer Health business segment.
- ³ Supplier EcoVadis assessments are reported as of January 31, 2022 may not capture suppliers that updated their assessment in January of 2022.
- ⁴ Total Global Impact Spend consists of: Tier 1 Diverse supplier spend in the U.S. (billions) and countries outside the U.S. (billions), plus Small business spend in the U.S. (billions), less overlap spend, plus Tier 2 diverse supplier spend, global (millions). U.S. suppliers can be classified as Tier 1 Diverse and Small business. The Tier 1 & Small overlap is removed to avoid double counting of the spend.
- ⁵ Except Tier 2 Diverse spend, all indicators represent spend Johnson & Johnson has control over/addressable spend, defined as products and services that procurement teams can negotiate with suppliers to meet business goals.
- ⁶ A technical visit is a follow-up visit to the initial audit.
- 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.
- ⁸ Social audits are conducted using the SMETA Protocol. The PSCI protocol was phased out in 2020.
- 9 Temporary workers supplied by third-party agencies that are the workers' employer of record. Contingent workers are intended to supplement existing workforce or temporarily replace them.
- 10 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.
- " OPDP: Office of Prescription Drug Promotion; and APLB: Advertising and Promotional Labeling Branch of the FDA Center for Biologics Evaluation and Research.
- 13 Johnson & Johnson Triage Committee and case investigators have the ability to change the issue type of cases upon receipt in Our Credo Integrity Line. This occurs for 5% or fewer of cases.
- 14 The increase in percentage is not a reflection of new labor unions being recognized, but rather clarifying the definition of representation by labor union which expanded the qualifying population of certain countries in Asia and Latin America.
- 15 Product recall rate is defined as the number of lots removed from market per total globally manufactured, based on field action removals where it has been determined internally by a Quality Review Board, and aligned by Johnson & Johnson Enterprise Compliance, that 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.
- 16 The Pharmaceutical and MedTech recall rates consider all products in each business segment. The Consumer Health product quality recall rate is inclusive of Consumer Health products from the Self-Care over-the-counter (OTC) business segment. It does not represent Essential Health and Skin Health/Beauty business segment products, including the voluntary recall of certain aerosol sunscreen products in 2021.
- 7 All employees at Johnson & Johnson are trained in the Code of Business Conduct as well as what to do if they become aware of a product complaint or adverse event. Brand protection awareness is included in both of these mandatory trainings to raise understanding and awareness of illicit trade issues among all employees. Supplemental brand protection training is also available to stakeholders and is reflected in the number above.

About this Report

Johnson & Johnson's 2021 Health for Humanity Report (the Report) details our progress in sustainability. It is also our primary source of annual disclosure on 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, 2021, and December 31, 2021, unless otherwise indicated. Reporting on other matters specific to financial performance of the Company and its subsidiaries can be found in our 2021 Annual Report.

This Report covers Johnson & Johnson's worldwide operations across our three business segments: Pharmaceutical, MedTech and Consumer Health. For select metrics, we report segment-level data. Contract manufacturers are excluded from the scope of this Report, unless otherwise noted. References in this Report to "Johnson," the "Company," "we," "us" and "our" and all similar references are to Johnson & Johnson and its consolidated subsidiaries, unless otherwise stated or the context otherwise requires. All monetary references to dollars (\$) refer to U.S. Dollars (USD).

Various activities highlighted throughout the Report are funded by the Johnson & Johnson Foundation, a registered charity and a company limited by guarantee. The Foundation is a separate legal entity from the Johnson & Johnson Family of Companies. The Foundation operates worldwide as Johnson & Johnson Foundation (founded 1953) and Johnson & Johnson Foundation Scotland (founded 2007). More details on foundation activities can be found in the Johnson & Johnson Foundation U.S. 2021 Annual Report and the Johnson & Johnson Foundation Scotland 2021 Directors' Report.

The Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We also disclose our performance against additional ESG standards and frameworks (see ESG Disclosure Index), including:

- GRI's Culture of Health for Business (COH4B) framework;
- Sustainability Accounting Standards Board (SASB) relevant Standards: HC-BP, HC-MS, CG-HP;
- Task Force on Climate-related Financial Disclosures (TCFD), building on our responses to the CDP climate change questionnaire;
- Norges Bank Investment Management and Basel Institute on Governance's "Measuring effectiveness of anti-corruption programmes" reporting framework, adding disclosures against this set of 17 indicators; and
- UN Global Compact (UNGC); this Report serves as our UNGC annual Communication on Progress.

Materiality approach:50 The content in this Report is guided by our PTA, which helps us identify and prioritize the ESG topics that matter most to our stakeholders and to our Company. Please see our 2021 Priority Topics Assessment for details of our latest update and Priority Topics Matrix.

Independent review and assurance: ERM Certification and Verification Services (ERM CVS) conducted an independent review and assurance of the following information and data in the Report:

- Progress against our Health for Humanity 2025 Goals and associated data presented in the Health for Humanity 2020 Goals Scorecard (see Health for Humanity 2025 Goals - First Year of Progress - ERM CVS); and
- Select 2021 global GHG emissions inventory, the percentage of electricity use generated by renewable energy sources, NOx and SOx emissions (from combustion sources), and select water management data (see GHG Emissions, Electricity and Water Data - ERM CVS). Our Scope 1, 2 and 3 GHG emissions are reported using the WBCSD/WRI GHG Protocol: A Corporate Accounting and Reporting Standard (2004, as updated January 2015).

PricewaterhouseCoopers LLP (PwC) performed limited assurance on certain data in the following categories (see PwC's Report of Independent Accountants and Management's Assertion):

- Our Giving
- Diversity, Equity & Inclusion (select metrics)
- Environmental Health & Safety (EH&S Compliance and Certifications)
- Employee Retention and Turnover
- Employee Engagement (2021 Our Voice Survey Results) (select metrics)
- Employee Safety
- Ethics and Compliance (Inquiries and Complaints as Recorded with Our Credo Integrity Line by Category)
- Ethics and Compliance (Compliance-Related Allegations Investigated Through Triage Committee)
- Human Rights (Collective Bargaining Agreements)
- Product Quality Indicators

Our Global Audit & Assurance organization 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 2021 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 18 (Acquisitions and Divestitures) on page 84 of our 2021 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.

Contact us: We welcome your queries and feedback on this Report. Please contact the Johnson & Johnson Enterprise ESG Program Office at:

WW-Corporate-Governance@its.ini.com

Please visit Previous Health for Humanity Reports for our archive of annual Health for Humanity Reports.

About this Report

Cautionary Note Regarding Forward-Looking Statements: This Report contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things: future operating and financial performance, product development, market position, business strategy and the anticipated separation of the Company's Consumer Health business. The reader is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Johnson & Johnson. Risks and uncertainties include, but are not limited to: economic factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in new product research and development, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; challenges to patents; the impact of patent expirations; the ability of the Company to successfully execute strategic plans; the impact of business combinations and divestitures; manufacturing difficulties or delays, internally or within the supply chain; product efficacy or safety concerns resulting in product recalls or regulatory action; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws and global healthcare reforms; trends toward healthcare cost containment; changes in behavior and spending patterns of purchasers of healthcare products and services; financial instability of international economies and legal systems and sovereign risk; increased scrutiny of the healthcare industry by government agencies; the Company's ability to satisfy the necessary conditions to consummate the separation of the Company's Consumer Health business on a timely basis or at all; the Company's ability to successfully separate the Company's Consumer Health business and realize the anticipated benefits from the separation; the New Consumer Health Company's ability to succeed as a standalone publicly traded company; and risks related to the impact of the COVID-19 global pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, material delays and cancellations of medical procedures, supply chain disruptions and other impacts to the business, or on the Company's ability to execute business continuity plans as a result of the COVID-19 pandemic. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended January 2, 2022, including in the sections captioned "Cautionary Note Regarding Forward-Looking Statements" and "Item 1A. Risk Factors," and in Johnson & Johnson's subsequent Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, www.ini.com or on request from Johnson & Johnson. Any forward looking statement made in this Report speaks only as of the date of this release. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.

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Independent Assurance Statements

Health for Humanity 2025 Goals - First Year of **Progress - ERM CVS**

ERM Certification and Verification Services Inc (ERM CVS) was engaged by Johnson & Johnson to provide limited assurance on reported progress against the Health for Humanity 2025 Goals reported in the Johnson & Johnson 2021 Health for Humanity Report (the Report) and on healthforhumanityreport.jnj.com as set out below.

	Engagement summary
Scope of our assurance engagement	Whether progress against the Health for Humanity 2025 Goals as reported in the Health for Humanity 2025 Goals Scorecard (the Scorecard) in the Reporting Hub section of the Report on healthforhumanityreport.jnj.com is fairly presented, in all material respects, in accordance with the reporting criteria.
Reporting criteria	Health for Humanity 2025 Goals as defined in the <u>Scorecard</u> . The WBCSD/WRI GHG Protocol: A Corporate Accounting and Reporting Standard (2004, as updated January 2015) for the Scope 1, 2 and 3 emissions.
Assurance standard	ERM CVS' assurance methodology, in accordance with International Standard on Assurance Engagements (ISAE 3000 Revised).
Assurance level	Limited assurance.
Respective responsibilities	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.

Our conclusions

Based on our assurance activities, as described below, nothing has come to our attention to indicate that the progress against the Health for Humanity 2025 Goals, as reported in the Scorecard in the Reporting Hub section on 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. A multi-disciplinary team of sustainability and assurance specialists performed assurance procedures as follows:

- A review of the reporting principles, boundaries, definitions and internal guidelines for each of the Health for Humanity 2025 Goals;
- Conference calls with Johnson & Johnson Enterprise ESG Program Office 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
- Conference calls with management representatives responsible for each of the Health for Humanity 2025 Goals to review the implementation of the related activities undertaken in 2021;
- A review of samples of underlying documentary evidence and data to support the reported progress for each of the Health for Humanity 2025 Goals;
- A high-level review of the 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; and
- A review of the presentation of information relevant to the scope of our work on healthforhumanityreport.jnj.com and in the PDF version of the Report to ensure consistency with our findings.

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 97 of the Report. Regarding the formation on 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.

Beth C.B. myle

Beth Wyke, Partner,

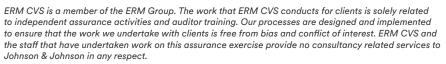
Head of Corporate Assurance Services

8 June 2022

Malvern, PA

ERM Certification and Verification Services, Inc.

www.ermcvs.com Email: post@ermcvs.com



Independent Assurance Statement GHG Emissions, Electricity and Water Data - ERM CVS

ERM Certification and Verification Services ('ERM CVS') was engaged by Johnson & Johnson to provide limited assurance in relation to 2021 (year ending December 31st 2021) GHG emissions and selected environmental data presented on pages 90-92 in the Johnson & Johnson 2021 Health for Humanity Report (the Report) and on https://healthforhumanityreport.jnj.com as set out below.

Engagement summary

Whether the corporate 2021* data for the following selected indicators are fairly presented, in all material respects, in accordance with the reporting criteria:

- Total absolute Scope 1 GHG emissions in metric tonnes [MT] of CO₂e
- Total absolute Scope 2 GHG emissions in metric tonnes [MT] of CO₂e reported using the location-based and market-based methods
- Total absolute Scope 1 GHG and Scope 2 (market-based) GHG emissions in metric tonnes [MT] of CO₂e
- Total absolute Scope 3 GHG emissions in metric tonnes [MT] of CO₂e for each of the following categories:
- 1: Purchased goods and services
- 2: Capital goods
- 3: Fuel and energy-related activities
- 4: Upstream transportation and distribution
- 5: Waste generated in operations
- 6: Business travel

Scope of our

assurance engagement

- 8: Upstream leased assets
- 9: Downstream transportation and distribution for U.S. operations (from the EPA SmartWay program for the year ending 31st December 2020)
- · Percentage renewable electricity: global
- Percentage renewable electricity by region North America (U.S. and Canada)
- Percentage renewable electricity by region Europe
- Total NOx emissions from facility combustion sources in metric tonnes [MT]
- Total SOx emissions from facility combustion sources in metric tonnes [MT]
- Total water withdrawn [million m³]
- Total water consumed [million m³]
- Total water recycled and reused [million m³]
- Total water discharged [million m³]
- Percentage of water withdrawn in regions of high or extremely high baseline water stress
- · Percentage of water consumed in regions of high or extremely high baseline water stress
- * 2020 for Scope 3 Category 9 downstream transportation and distribution emissions for U.S. operations

Engagement summary		
Reporting criteria	The WBCSD/WRI GHG Protocol: A Corporate Accounting and Reporting Standard (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.	
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).	
Assurance level	Limited assurance.	
Respective responsibilities	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' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement	



Our conclusions

high baseline water stress:

Based on our activities, nothing has come to our attention to indicate that the following selected 2021* 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 statement, in particular the information in the emphasis of matter and inherent limitations paragraphs below.

Scope 1 GHG emissions:	367,674 MT CO ₂ e
Scope 2 GHG (location-based) emissions:	616,093 MT CO ₂ e
Scope 2 GHG (market-based) emissions:	397,086 MT CO ₂ e
Total Scope 1 GHG and Scope 2 (market-based) GHG emissions:	764,760 MT CO ₂ e

Scope 3 GHG emissions for the following categories:

• 1: Purchased goods and services	6,605,416 MT CO ₂ e
• 2: Capital goods	207,060 MT CO ₂ e
 3: Fuel and energy related activities 	241,021 MT CO ₂ e
 4: Upstream transportation and distribution 	1,541,624 MT CO ₂ e
• 5: Waste generated in operations	8,759 MT CO _, e
• 6: Business Travel	225,317 MT CO ₂ e
• 8: Upstream Leased Assets	24,657 MT CO _. e
 9: Downstream transportation and distribution 	55,332 MT CO _. e
(*2020, from the EPASmartWay program)	, 2

Percentage renewable electricity by region - Europe:	79%
Percentage renewable electricity by region - North America:	67%
Percentage renewable electricity - global:	52%
Total mono-nitrogen oxides (NOx) emissions:	37 MT
Total sulfur oxides (SOx) emissions:	53 MT
Total water withdrawn:	11.04 million m ³
Total water consumed:	3.89 million m ³
Total water recycled and reused:	0.81 million m ³
Total water discharge:	7.15 million m ³
Water withdrawn in regions of high or extremely high baseline water stress:	40%
Water consumed in regions of high or extremely	52%

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 91 of the Report, in particular the limitations relating to the data for the Scope 3 emissions category 9 on page 93 of the Report which should be read in conjunction with the data.

Additionally, 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 90 of the Report, in particular the limitations relating to potential additional sources of GHG emissions on page 60 of the Report which should be read in conjunction with the data.

Our assurance activities

Our objective was to assess whether the assured emissions 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 multi-disciplinary team of environmental and assurance specialists performed the following activities:

- Virtual interviews with relevant corporate staff to understand internal reporting guidance and processes, including the use of its GHG Management Plan. internal spreadsheets, and its various internal data management and reporting systems for each of the metrics in scope;
- Review of reporting boundary compared to J&J's internal reporting criteria
- Virtual site visits to eight sites (Bangkok, Thailand; Ciudad Juarez, Mexico; Beerse, Belgium; Ft. Washington, U.S.; San Angelo, U.S., Cork, Ireland; South Holland, The Netherlands; Sao Jose dos Campos, Brazil (desk-based)) to review local reporting processes and consistency of reported annual data with selected underlying source data for each indicator. We interviewed relevant staff, reviewed site data capture and reporting methods, checked calculations and assessed the local internal quality and assurance processes;
- A review of a sample of primary data for each metric in scope;
- 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 emissions 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 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.

Due to COVID travel restrictions, we planned our assurance engagement to include virtual site visits. While we believe this approach does not affect our limited assurance conclusion(s) above, we draw attention to the possibility that if we had undertaken in person visits we may have identified errors and omissions in the assured information that we did not discover through the alternative assurance program.

Our observations

We have provided Johnson & Johnson with a separate Management Report with our detailed (non-material) findings and recommendations.

Without affecting the conclusion presented above, we make the following observation:

• The accuracy of the water balance (water consumed minus water discharge) could be improved though consistency of accounting for evaporative losses at relevant manufacturing locations.

Beth C.B. hyle Beth Wyke, Partner,

Head of Corporate Assurance Services 8 June 2022

Malvern, PA

ERM Certification and Verification Services, Inc.

www.ermcvs.com Email: 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 staff that have undertaken this engagement work have provided no consultancy related services to Johnson & Johnson in any respect.





Report of Independent Accountants

To the Board of Directors of Johnson & Johnson

We have reviewed the accompanying Johnson & Johnson management assertion that the sustainability metrics as of or for the year ended December 31, 2021 in management's assertion are presented in accordance 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 sustainability 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 for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent 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. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Our firm applies the Statements on Quality Control Standards established by the AICPA and, accordingly, maintains a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, performed tests of mathematical accuracy of computations on a sample basis, read relevant policies to understand terms related to relevant information about the sustainability metrics, reviewed supporting documentation in regard to the completeness and accuracy of the data in the sustainability metrics on a sample basis, and performed analytical procedures.

The preparation of the sustainability 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 have resulted in materially different amounts or metrics being reported.

Based on our review, we are not aware of any material modifications that should be made to Johnson's management assertion in order for it to be fairly stated.

Florham Park, New Jersey

Pricewaterhouse Cooper UP

June 6, 2022

Johnson & Johnson Management Assertion

As of for the Year Ended December 31, 2021

Management of Johnson & Johnson is responsible for the completeness, accuracy, and validity of the sustainability metrics included in the tables below as of or for the year ended December 31, 2021 (the reporting year) for global operations, unless otherwise noted. The metrics have been rounded to the nearest whole number unless otherwise indicated.

Management asserts that the metrics reported in the tables below, which are also included in the Health for Humanity Report as identified by the "±" symbol, are presented in accordance with the assessment criteria set forth below. Management is responsible for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the sustainability metrics. The preparation of the sustainability 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 have resulted in materially different amounts or metrics being reported.

Our Giving(a)

Metric Description	Metric Value (in millions)
Total products ^(b) and cash contributed	\$2,738
Products ^(b) contributed	\$2,303
Cash contributed	\$435

Our contributions include products or cash donations made to qualified nonprofit entities (i.e., 501(c)(3) organizations in the U.S. or with an NGO source 501(c)(3) equivalency determination for organizations outside the U.S.) by Johnson & Johnson during the reporting year. Administrative costs incurred by Johnson & Johnson during the contribution process are also included in cash contributions (approximately 4% of the cash

Diversity, Equity & Inclusion (DE&I)

Metric Description	Metric Value
Global Employees ^{(a)(c)}	
Total number of employees ^(b)	144,315 Women 49.0% Men 50.9% Declined to answer 0.1%
Region ^(d)	Asia Pacific 29,517 Europe, Middle East & Africa 42,429 Latin America 23,441 North America 48,928

Diversity, Equity & Inclusion (DE&I) continued

Metric Description	Metric Value
Gender Representation ^{(a)(b)(c)(i)}	
Region ^(d)	Asia Pacific: Women 47.4% Men 52.6% Europe, Middle East & Africa: Women 50.3% Men 49.7% Latin America: Women 53.3% Men 46.7% North America: Women 46.9% Men 52.9% Declined to answer 0.2%
Employment type	Full-time employees: Women 48.1% Men 51.8% Declined to answer 0.1% Part-time employees: Women 83.5% Men 16.5%
Job category ^{(d)(g)(j)}	Vice Presidents: Women 38.9% Men 60.9% Declined to answer 0.2% Managers and Directors: Women 48.3% Men 51.7% Declined to answer 0.1% Professionals: Women 50.5% Men 49.4%
Management and executive positions ^(g)	Women in management positions 48.0% Women in executive positions 14.3%

Products contributed are measured at fair market value, which is the price of the product, as determined by an internal price list in USD as of December 31, 2021, that Johnson & Johnson would sell to consumers in the market.



Diversity, Equity & Inclusion (DE&I) continued

Metric Description	Metric Value
Diversity in Board Composition	<u> </u>
Diversity in Board Composition ^(f)	Women 35.7% Ethnic/Racial Diversity 21.4%
Age Diversity ^(e) by Job Category ^{(a)(c)(d)(g)}	
Vice Presidents	Under 30 0.0% 30-50 43.5% 51+ 56.5%
Managers and Directors	Under 30 1.5% 30-50 72.2% 51+ 26.3%
Professionals	Under 30 22.7% 30-50 60.0% 51+ 17.3%
Ethnic/Racial Diversity ^(b) in the U.S. by Job Category ^{(a)(c)(c)}	1)(g)
Vice Presidents	White 70.7% Asian 11.7% Black/African American 7.3% Hispanic/Latino 8.3% Other 1.9% Declined to Answer 0.1%
Managers and Directors ^(j)	White 64.5% Asian 18.3% Black/African American 6.3% Hispanic/Latino: 7.7% Other 1.9% Declined to answer 1.4%
Professionals	White 64.2% Asian 13.4% Black/African American 7.7% Hispanic/Latino 10.4% Other 2.5% Declined to answer 1.8%
New Employee Hires ^(h)	<u>.</u>
Total number of new hires	22,543
Region ^{(d)(i)(j)}	Asia Pacific 25.6% Europe, Middle East & Africa 16.7% Latin America 29.2% North America 28.4%

Diversity, Equity & Inclusion (DE&I) continued

Metric Description	Metric Value
Gender representation ^(b)	Women 54.0% Men 45.8% Declined to answer 0.2%
Age ^(e)	Under 30 47.5% 30-50 47.6% 51+ 4.9%

- Global Employees is the global employee headcount as of December 31, 2021 from Johnson & Johnson's Human Resource Information System (HRIS), "Employee" is defined as an individual working full-time or part-time, excluding fixed-term employees, interns and co-op employees. Employee data may not include data from more recently acquired companies who are not yet reflected in HRIS (which does not exceed two years from the date of acquisition), and individuals on long-term disability are excluded. Contingent workers, contractors and subcontractors are also
- (b) Gender and ethnic/racial diversity are reported in accordance with the gender, ethnicity and race as self-reported by the employee and recorded in HRIS as of December 31, 2021. 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.
- (c) 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.
- (d) The region and job category is obtained from HRIS as of December 31, 2021.
- (e) Age diversity is reported in accordance with the age as self-reported by the employee and recorded in HRIS as of the date of hire.
- Gender and ethnic/racial diversity in the Board composition is reported in accordance with the gender and ethnicity as confirmed by Board members as of December 31, 2021.
- (9) Professional positions are defined as paygrades 20-26. Management positions are defined as paygrade 30 and above. Executives are defined as employees reporting directly to the Chairman and Chief Executive Officer based on an organization chart including names and positions as of
- (h) New employee hires are external hires with a start date between January 1, 2021 and December 31, 2021 obtained from HRIS.
- (1) Where the value for "Declined to answer" is rounded to zero, it was excluded from the reported table.
- (I) Values have been rounded to the nearest tenth. Due to rounding, the numbers presented do not add up precisely to 100.0%.

Employee Retention and Turnover

Metric Description	Metric Value
Managers and above moved across functions, country or business segment lines ^{(a)(b)(c)}	45.8%
Overall voluntary turnover ^(d)	8%
Voluntary turnover ^(d) of high performers ^(e)	4%

- Represents the percentage of employees in Manager and above job categories (defined as paygrade 30 and above in HRIS as of December 31, 2021) who, in their career progression, moved through upward promotion or lateral transfer during the reporting year.
- Employee count excludes fixed-term, intern, and co-op employees, employees on long-term disability, employees from more recently acquired companies who are not yet reflected in HRIS (which does not exceed 2 years from the date of acquisition), and employees in the R&D organizations in the Pharmaceutical, MedTech and Consumer Health segments.
- Employee movement is tracked monthly in HRIS and then consolidated at year end. If an employee moves, for example, across both function and country in the same month, it is only counted as one move.
- Employee count excludes fixed-term, intern, and co-op employees, employees on long-term disability, and employees from more recently acquired companies who are not yet reflected in HRIS (which does not exceed 2 years from the date of acquisition). Voluntary turnover (the numerator) excludes employees leaving the company due to retirement or death.
- High performer is defined as an individual with two consecutive annual performance ratings of Exceeds/Exceeds, Exceeds/Fully Meets, or Fully Meets/Exceeds (note that "exceeds" is one out of four possible dimension ratings). Employees who are not part of the performance management process are excluded from the voluntary turnover of high performers metric.



Employee Safety(a)(b)

Metric Description	Metric Value
Lost Workday Case rate ^{(c)(d)}	Global 0.06 Asia Pacific 0.06 Europe, Middle East & Africa 0.06 Latin America 0.07 North America 0.07
Total Recordable Injury rate ^(e)	Global 0.30 Asia Pacific 0.14 Europe, Middle East & Africa 0.29 Latin America 0.26 North America 0.37
Serious Injury and Illness Case rate ^(f)	Global 0.02 Asia Pacific 0.01 Europe, Middle East & Africa 0.02 Latin America 0.02 North America 0.04
Number of fatalities	Global 0.0

- (a) Includes data as of December 31, 2021 and hours worked in the reporting year. More recently acquired sites (i.e., owned less than two years as of December 31, 2021) are excluded from employee safety metrics.
- (b) Lost Work Day Case (LWDC) rate, Total Recordable Injury (TRIR), Serious Injury and Illness Case (SIIC) rate and fatalities are calculated for Johnson & Johnson employees and contingent workers. 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. Cases from contractor/subcontractors (who are not contingent workers) are excluded.
- (c) "Lost days" 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).
- (d) LWDC rate is calculated as follows and the data used in the calculation is obtained from the internal Johnson & Johnson CURVE system: (number of LWDC * 200,000 work hours)/total work hours.
- (e) TRIR is calculated as follows and the data used in the calculation is obtained from the internal Johnson & Johnson CURVE system: (number of recordable cases * 200,000 work hours)/total work hours.
- SIIC rate is calculated as follows and the data used in the calculation is obtained from the internal Johnson & Johnson CURVE system: (number of SIIC * 200,000 work hours)/total work hours.

Ethics and Compliance (Inquiries and Complaints as Recorded with Our Credo Integrity Line by Category)

Metric Description	Metric Value
Inquiries and complaints as recorded with Our Credo Integrity Line by Category ^{(a)(b)(c)}	Human Resources-related 55% Business integrity-related 14% Other 9% General information questions 8% Financial-related 7% Human rights-related 5% Product quality and patient safety-related 2%

- (a) Johnson & Johnson's anonymous grievance mechanism includes 13 inquiry and complaint categories for the person reporting to select from when reporting inquiries and complaints. Filed reports are then summarized into seven reported categories by Johnson & Johnson. In FY20, there were 48 Our Credo inquiry and complaint categories that were recategorized into the current 13 categories as of December 4, 2020. Other consists of the following categories: privacy, information security, global security, Environment, Health, Safety & Sustainability (EHS&S), legal/regulatory and report follow up. The 13th category is "ask a question."
- Johnson & Johnson introduced the human rights category in December 2020 and included inquiries and complaints from December 2020 in the 2021 data.
- Johnson & Johnson's Triage Committee and case investigators have the ability to change the category of an inquiry or complaint upon receipt using a set of established criteria in Our Credo Integrity Line. This occurred for fewer than 5% of total recorded inquiries and complaints.

Compliance-Related Allegations Investigated Through Triage Committee^(a)

Metric Description	Metric Value
Number of compliance-related allegations investigated	661
Percentage of compliance-related allegations investigated, by category	Healthcare ^(b) 48% Financial ^(c) 43% Other ^(d) 9%

- Compliance-related allegations can be filed by internal or external parties, and for those allegations that meet the internal escalation criteria, they are logged and categorized by Johnson & Johnson management within Johnson & Johnson's sensitive issue case management system and then presented to and investigated through the Johnson & Johnson Triage Committee. Internal escalation criteria includes actual or alleged (i) noncompliance with internal Johnson & Johnson policies that could result in termination of the employee; (ii) expense violations exceeding \$1,000; (iii) theft, fraud or misuse of funds exceeding \$1,000; (iv) non-compliance with laws and regulations, such as anti-corruption laws or human trafficking rules; (v) governmental non-compliance, such as failure to abide by relevant terms of a U.S. government invoice, contract or pricing program, financial conflicts of interest, false or incomplete statements made to the U.S. government; (vi) data breach or privacy incidents; and (vii) misconduct by members of the senior leadership team.
- Healthcare compliance-related allegations consist of violations of Health Care Compliance guidelines including U.S. Foreign Corrupt Practices Act (FCPA) violations.
- Financial compliance-related allegations consist of asset misappropriation, conflicts of interest and financial statement-related.
- Other compliance-related allegations consist of legal, quality, anti-trust, product registration and privacy.



EH&S Compliance and Certifications

Metric Description	Metric Value
Number of environmental non-compliances ^{(a)(b)}	34
Fines paid for environmental non-compliances(a) ^{(b)(c)} (thousands)	\$3.6
Number of manufacturing and R&D sites certified to ISO 14001 ^{(d)(e)}	92
Percentage of manufacturing and R&D sites certified to ISO 14001 ^{(d)(e)}	89%
Percentage of manufacturing and R&D sites certified to ISO 45001 ^{(d)(e)}	17%

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.

Product Quality Indicators

Metric Description	Metric Value
Number of regulatory inspections ^(a) of Johnson & Johnson sites by worldwide health authorities ^(b)	448
Percentage of regulatory inspections ^(a) that resulted in zero observations ^(b)	76%
Number of FDA inspections of Johnson & Johnson sites ^(c)	9
Percentage of FDA inspections that resulted in zero observations ^(c)	56%
Average number of observations per FDA inspection ^(c)	2.4
Number of independent audits of Johnson & Johnson sites to ensure compliance with Johnson & Johnson Quality Policy and Standards ^(d)	170
Number of independent audits of external manufacturing sites ^(e) to ensure compliance with Johnson & Johnson Quality Policy and Standards ^(d)	277
Number of FDA warning letters issued	0
Product recall rate ^(f) , by business segment	Pharmaceutical 0.0% MedTech 0.059% Consumer Health Self-Care OTC 0.0%

A regulatory inspection is defined as an inspection conducted by the health authority to determine compliance with applicable laws and regulations.

Environmental non-compliances and fines paid exclude newly acquired sites (i.e., owned less than two years as of December 31, 2021).

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 as of December 31, 2021.

Certified to ISO 14001 or ISO 45001 means the site has received an external certification that is valid as of December 31, 2021,

The denominator of total manufacturing and research & development (R&D) sites excludes small R&D and manufacturing sites (defined as having less than 50 employees) and newly acquired sites (i.e., owned less than three years as of December 31, 2021).

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. The observations identified during the inspection are listed on a form provided by the third-party health authority who conducted the inspection.

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 requirements. The observations are listed on FDA Form 483 during inspections conducted by the FDA and then provided to the manufacturer following the FDA inspection.

Independent audits are conducted by internal Johnson & Johnson Regulatory Compliance auditors at Johnson & Johnson sites and external manufacturing sites.

An external manufacturing site is defined as not owned or operated by Johnson & Johnson.

Product recall rate is defined as the number of lots removed from the market as a percentage of total lots globally manufactured, based on field action removals where it has been determined internally by a Quality Review Board and aligned by Johnson & Johnson Enterprise Compliance, that 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. A lot is defined as a specific quantity of material that has uniform character and quality and was released to market during the 2021 calendar year.



2021 Our Voice Survey Results

Metric Description	Metric Value
Number of languages available ^(a)	36
Number of countries administered ^(a)	77
Response rate (among all active employees) ^{(a)(b)}	91%
Favorability rate ^{(a)(b)(c)}	82%
Percentage agreed with the statement: I am willing to give extra effort to help Johnson & Johnson meet its goals ^{(a)(b)}	94%
Percentage agreed with the statement: I would recommend Johnson & Johnson as a great place to work (a)(b)(c)	87%
Percentage agreed with the statement: In my workgroup, we eliminate practices that stand in the way of achieving results ^{(a)(b)(c)}	71%
Percentage agreed with the statement: I would like to be working at Johnson & Johnson one year from now ^{(a)(b)(c)}	91%
Percentage agreed with the statement: Leaders in my organization demonstrate that integrity, quality and compliance are top priorities through their words and actions ^{(a)(b)(c)}	86%

⁽a) Johnson & Johnson conducts the Our Voice Survey biennially to track employee sentiment globally. Our Voice Survey metric data is collected and stored in a third-party platform.

Collective Bargaining Agreements

Metric Description	Metric Value
Employees covered by collective bargaining agreements ^(a)	30%

⁽a) Global employees, as defined in the DE&I section above, and fixed-term employees may be covered by collective bargaining agreements (CBAs). The Johnson & Johnson Regional and Country Employee Relations and Labor Relations (ERLR) team only considered unionized employees under Johnson & Johnson negotiated collective bargaining agreements for this metric per the Global Reporting Initiative definition of collective bargaining. Trade Unions or Work Councils were not included in the calculation since these groups do not have Johnson & Johnson negotiated collective bargaining agreements.

Active employees include Johnson & Johnson employees as of December 31, 2021 who completed the 2021 Our Voice Survey, and excludes fixed-term, intern, and co-op employees, employees on long-term disability, contractors, and employees that have been with Johnson & Johnson for less than three months.

Favorability rate is calculated by determining the percentage of "agree" or "strongly agree" responses out of all responses for all Our Voice Survey questions. Response types include: strongly disagree, disagree, neither agree or disagree, agree, strongly agree, do not know. Questions without responses are removed from the numerator and denominator.



Glossary

Acronym	Definition
Al	Artificial intelligence
AIDS	Acquired immunodeficiency syndrome
AMR	Antimicrobial resistance
ARV	Antiretroviral
BARDA	Biomedical Advanced Research and Development Authority, part of the U.S. Department of Health and Human Services
CDC	Centers for Disease Control and Prevention
DEI	Diversity, equity and inclusion
DR-TB	Drug-resistant tuberculosis
ECDC	European Centre for Disease Prevention and Control
EHS	Environment, Health & Safety
EH&S	Environmental Health and Safety
EMA	European Medicines Agency
EMEA	Europe, Middle East and Africa
EML	WHO Model List of Essential Medicines
ESG	Environmental, social and governance
EUA	Emergency Use Authorization
EUL	Emergency Use Listing
ExPEC	Extraintestinal pathogenic Escherichia coli
FDA	U.S. Food and Drug Administration
GCI	Global Community Impact
GBP	Global Brand Protection
GHG	Greenhouse gas or gases
GPH	Global Public Health
НСР	Healthcare professional
HIV	Human immunodeficiency virus

Acronym	Definition
IP	Intellectual Property
JJBC	Johnson & Johnson Bioethics Committee
JJDC	Johnson & Johnson Innovation—JJDC, Inc.
J&J MedTech	Johnson & Johnson MedTech
JLABS	Johnson & Johnson Innovation—JLABS
LAI	Long-acting injectable
LMICs	Low- and middle-income countries
MDR-TB	Multidrug-resistant tuberculosis
NGO	Non-governmental organization
NIH	National Institutes of Health
ОСМО	The Johnson & Johnson Office of the Chief Medical Officer
PAH	Pulmonary arterial hypertension
PPE	Personal protective equipment
PTA	Priority Topics Assessment
RLS	Resource-limited settings
RNA	Ribonucleic acid
RSV	Respiratory syncytial virus
RWD	Real-world data
SDG	Sustainable Development Goal (of the United Nations)
SEC	U.S. Securities and Exchange Commission
SSP	Supplier Sustainability Program
STEM	Science, Technology, Engineering, and Mathematics
STH	Soil-transmitted helminthiasis (or intestinal parasites)
ТВ	Tuberculosis
VR	Virtual reality
WHO	World Health Organization

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- 1 The tax information contained in this section is intended to provide the reader with an overview of all taxes contributed by Johnson & Johnson, and not just income taxes. It should be read in conjunction with the Company's tax information filed with the U.S. Securities and Exchange Commission (SEC), including in the most recently filed Quarterly Reports on Form 10-Q and Annual Report on Form 10-K. This tax information is supplemental to, and not a substitute for, the information reported in the Company's SEC filings.
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50 Materiality, as used in this Report, and our Priority Topics Assessment process is different than the definition used in the context of filings with the SEC.

Johnson Johnson

2021 Health for Humanity Report

Progress in Sustainability

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Scientists at Janssen's/Legend Biotech's CAR-T lab in New Jersey prepare a patient's T cells to be genetically modified to recognize and fight the blood cancer multiple myeloma.