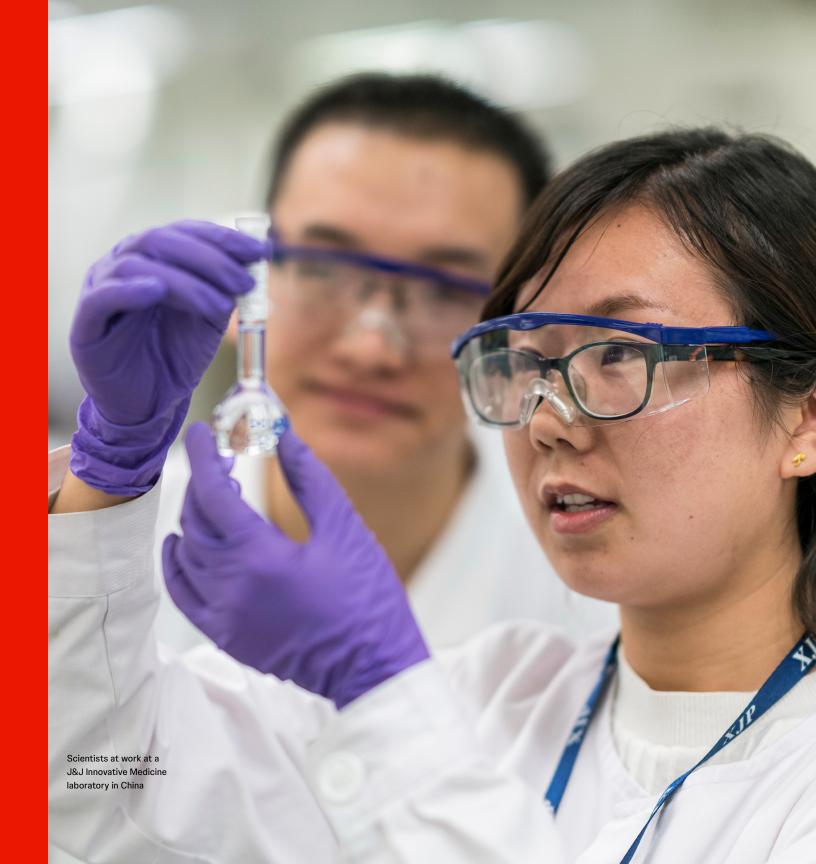
# 2023 Health for Humanity Report



# Our approach



# Message from our leaders

#### To our global community,

2023 was a transformational year for Johnson & Johnson.

In separating our Consumer Health business, we reoriented our company to focus on the world's toughest health challenges through scientific innovation and technology.

Our Innovative Medicine and MedTech businesses are now operating under the Johnson & Johnson name. Together our more than 130,000 employees are building a world where complex diseases are prevented, treated and cured, treatments are smarter and less invasive, and solutions are personal.

While Johnson & Johnson evolves to address the most pressing needs of patients, our purpose remains the same. For more than 80 years, Our Credo has reminded us of our responsibilities to the people we serve: patients, doctors and nurses, employees, communities and investors.

In 2023, our Executive Committee and Board of Directors spoke with Credo stakeholders to understand their expectations for Johnson & Johnson as we enter this new chapter in our evolution. Their message was clear: Johnson & Johnson is unique in our industry, and our Health for Humanity priorities should reflect that.

Our Health for Humanity strategy reflects our focus on driving the next wave of medical innovation, while championing global health equity, empowering our employees and advancing environmental health. A key element is our use of data science and technology, which are transforming our business.

Among many highlights in 2023, we supported almost 1 million healthcare workers worldwide to connect communities to care, including training 40,000 operating room and hospital staff in resource-limited settings. In the United States, we have reached 4.5 million people of color since 2020 through community-led health programs to address



Joaquin Duato, Chairman of the Board and Chief Executive Officer

racial health inequities. To advance environmental health, 87% of our global electricity needs came from renewable sources.

We are committed to continuous improvement, and we are encouraged to see our most recent ESG ratings improve across most major indices.

As a company devoted to caring for others, we know we must also care for our employees. In 2023, our 12 Employee Resource Groups engaged almost 25,000 colleagues in fostering a culture of inclusion and belonging where all perspectives, abilities and experiences are valued. We are proud of our culture of professional development, and in 2023 we hosted our first Global Learning Day and launched an Al-powered employee learning platform. We also expanded resources to support mental health and enhanced our global paid-leave benefits.



Marillyn Hewson, Lead Director

Johnson & Johnson has been a purpose-driven company for almost 140 years. Now fully focused on pharmaceuticals and medical technology, we are well-positioned to innovate across the full spectrum of healthcare, delivering the breakthroughs of tomorrow and advancing health for humanity.

Joaquin Duato Chairman of the Board and Chief Executive Officer

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Marillyn Hewson Lead Director

# 2023 year in brief

Championing global health equity

#### ~1 million

healthcare workers reached, bringing our total to ~2.3 million in the last 3 years

#### >200 million

doses of VERMOX (mebendazole) delivered, treating up to 100 million children and women of reproductive age for soil-transmitted helminths

#### 40,000

operating room and hospital staff trained in resource-limited settings



#### Empowering our employees



#### **Global Learning Day**

First dedicated Global Learning Day for all employees – amounting to more than 196,000 training hours in 220,000 different J&J Learn sessions on the day and throughout October combined

#### 94%

of employees responded to Our Credo Survey, with 85% reporting management provides an inclusive work environment

#### 30,000+

employee volunteer hours with our community partners through our signature Talent for Good programs

#### Advancing environmental health

#### 87%

of Johnson & Johnson's global electricity needs come from renewable sources, including 100% for our operations in Europe, the U.S. and Canada

#### 23%

reduction of our absolute Scope 1 & 2 GHG emissions since 2021

#### 11

countries have hospitals partnering with Johnson & Johnson on our recycling program for single-use medical devices



#### Leading with accountability & innovation



#### \$15.1 billion

invested in research & development across Innovative Medicine and MedTech

#### \$4.9 billion

total spend with small and diverse suppliers

#### Enhanced governance

Enhanced our Code of Business Conduct and Enterprise Risk Management Framework and related governance, reflecting our commitment to compliance and responsible operations





#### Recognitions

Ranked #1 in the Pharmaceutical Category on the Fortune World's Most Admired Companies list for the 10<sup>th</sup> year in a row

Ranked as a Top 50 All-Star on the Fortune World's Most Admired Companies list for the 21st consecutive year

Ranked #13 on Wall Street Journal's Best-Managed Companies of 2023

Ranked #14 on the Drucker Institute Top 250 Best-Managed Companies of 2023

Claimed the 20<sup>th</sup> spot on the TIME World's Best Companies of 2023 list

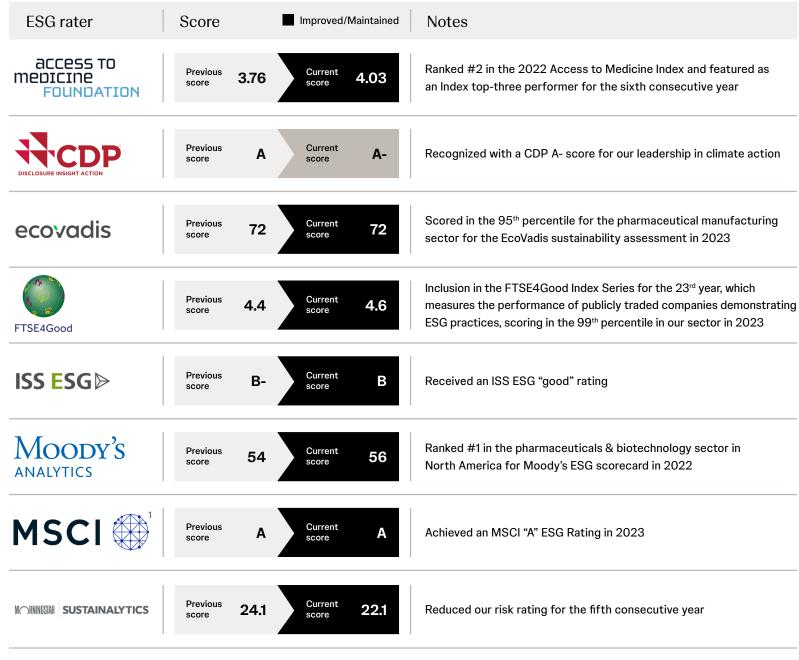
Ranked #4 on the Gartner annual ranking of Top 25 Company Supply Chains for 2023

Fifth consecutive year on the Forbes Best Employers for Diversity list in 2023

Sixth consecutive year with Trendsetter status on the CPA-Zicklin Index of Corporate Political Disclosure and Accountability

Sixth consecutive year receiving a CDP A or Ascore for leadership in environmental transparency and climate change performance

#### ESG ratings



<sup>1</sup> The use by Johnson & Johnson of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Johnson & Johnson by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



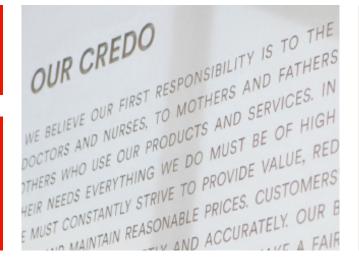
# About Johnson & Johnson

#### **Our Purpose**

We blend heart, science and ingenuity to profoundly impact 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.

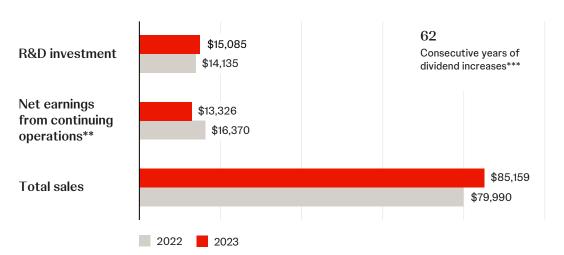


#### Our business

At Johnson & Johnson (J&J) ("the Company"), we believe health is everything. Our strength in healthcare innovation empowers us to build a world where complex diseases are prevented, treated and cured, where treatments are smarter and less invasive and solutions are personal. Through our expertise in Innovative Medicine and MedTech, we are uniquely positioned to innovate across the full spectrum of healthcare solutions today to deliver the breakthroughs of tomorrow and profoundly impact health for humanity.

Headquartered in New Jersey, U.S., our operating companies employ approximately 134,000 employees spread around the world. Our employees engage in the research and development, manufacture and sale of a broad range of Innovative Medicine and MedTech products that save lives and help change lives for the better every day. We work with more than 38,500 suppliers and hundreds of external manufacturers to support the development and manufacturing of our products worldwide.

#### Financial results (\$millions)\*



- \* 2022 data has been restated to reflect the separation of the Consumer Health business. For detailed financial performance, see Johnson & Johnson's 2023 Annual Report
- \*\* GAAP earnings were negatively impacted by the \$6.9 billion dollar charge related to the talc settlement proposal recorded in the first guarter of 2023.
- \*\*\* Includes dividend increases in April 2024.

#### Sales by business segment (\$millions)



**Innovative Medicine** 

- Oncology
- Immunology
- Neuroscience
- Pulmonary Hypertension
- \$54,759
  - · Cardiovascular, Metabolism, Other
  - Infectious Diseases



- Surgery
- Interventional Solutions
- Orthopaedics
   Vision



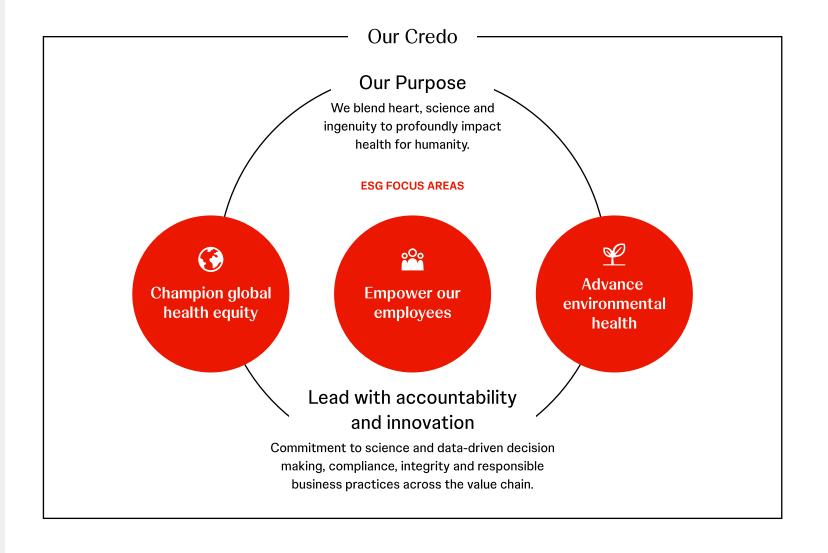
"2023 was a strong year for Johnson & Johnson, thanks to our employees around the world who worked tirelessly to improve and advance health

outcomes for patients in the near- and longterm. Based on a strong financial foundation and continued investments in breakthrough science and technology, we are confident in our ability to continue making a positive impact on healthcare."

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

# ESG governance and strategy

J&J integrates ESG into our business strategies, starting at the highest levels of leadership, where the Board has overall accountability for ESG risk management oversight. Our ESG strategy informs our approach to delivering positive impact for our stakeholders while managing ESG-related risks and opportunities.



In 2023, we launched the Enterprise Compliance & Risk Committee (ECRC). The ECRC combines the functions of the former Enterprise Governance Council, which served as the Enterprise governance function for ESG and the Corporate Compliance Committee, which served as the primary governance structure for coordinating compliance-related risks across the Enterprise. The ECRC, chaired by our Chief Technical Operations & Risk Officer with representatives from our business segments and enterprise risk functions, operates as a single body providing governance and oversight over the management of current and emerging risks and facilitating action planning across the Company. (See also: Corporate Governance).

#### **ESG** strategy

Our ESG strategy is grounded in Our Credo values, informed by both our Company's purpose to profoundly impact health for humanity and the views of our external stakeholders. The strategy focuses our efforts on the areas where we are well 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. Our ESG approach is designed to effectively govern and manage risks, including ESG risks, while enabling us to identify opportunities that accurately reflect our business strategy.

For more information on how we are managing ESG risks and embedding sustainability into decision making, which is a critical component of our ESG governance, please see our Position on ESG Governance.

#### **ESG** priorities

We regularly undertake a process to identify and prioritize the ESG topics that are relevant to our business and serve to inform our strategic approach to ESG. We call this process our Priority Topics Assessment (PTA), and it involves analysis of business impacts, trends, and extensive engagement with stakeholders. To view our Priority Topics as of our last assessment (2021), see our ESG Performance Data and Indices.



#### **ESG** goals

Our Health for Humanity Goals are guided by Our Credo and PTA, and focused on areas where we believe we are best positioned to have the greatest impact. Developments in 2023, including the separation of our Consumer Health business, evolution in our portfolio and activities in the external environment prompted us to update our approach. For example, three goals—Access to HIV Treatment, Global Access Plans and Preventative Vaccine Capabilities—were impacted by changes within our portfolio mix. Additionally, we concluded certain goals early, including our Tuberculosis-related goals; Access to Schizophrenia Treatment; Women in STEM<sup>2</sup>D; Healthiest Workforce; Supplier Sustainability Program; and Partnerships for Good. We also highlight in the Global health equity section the two goals we achieved in 2023.

As part of our process, we engaged with stakeholders and received consistent feedback that we should clearly define our priorities and look for opportunities to streamline. Our updated Health for Humanity Goals, which are presented throughout this Report in the relevant sections, reflect this evolution. We will publicly track performance against these goals and continue to report our ongoing work in other areas. The data relating to our goals in this Report continue to be assured by a third party.

#### Stakeholder engagement

The longstanding relationships we have with our policy, advocacy and industry association stakeholders are vital to our business success and our ESG strategy. J&J interacts with numerous stakeholders at the global, national and local levels, through membership and participation in a broad range of forums. ① Policies & Positions

A selection of our activities in 2023 include:

#### Advancing the Asia-Pacific Economic Cooperation (APEC) agenda

J&J engaged throughout APEC 2023 to advance three priorities: developing sustainable health financing models, enhancing data science practices and strengthening supply chain resilience. APEC is a forum comprising 21 economies that represent 40% of the global population and nearly 50% of global trade. J&J's engagement included:

- representing the healthcare industry in engagements with Health Ministers to reinforce the importance of medical innovation to support better patient outcomes;
- opening new channels of communication and partnership on supply chain resilience with APEC Transportation and Trade Ministers;

- maintaining our decade-long involvement with the APEC Business Ethics Forum, to raise the bar in ethics for life science <u>SMEs</u>;
- convening policy dialogues on <u>UHC</u> in collaboration with the U.S. and other APEC economies to advance specific recommendations; and
- initiating a collaboration with United Parcel Service to advance policy reforms for strengthening healthcare supply chain resilience.

#### Advocating for health equity

We actively engaged with U.S. state and federal policy and advocacy partners to demonstrate our strategic commitment to advancing a policy environment that supports innovation and health equity for our patients.

In 2023, for example, at the Asian Pacific American Institute for Congressional Studies (APAICS) Legislative Leadership Summit, we affirmed our support for the passage of the Dr. Lorna Breen Health Care Provider Protection Act—the first legislation in the U.S. focused on improving healthcare workers' mental health. At the Congressional Black Caucus Foundation (CBCF) Annual Legislative Conference, J&J volunteers conducted peripheral arterial disease (PAD) screenings for conference attendees and provided resources from our My Health Can't Wait effort. J&J also joined the National Conference of State Legislators (NCSL) Women In Government Summit to speak about eliminating racial disparities in healthcare.



"We recognize we have a fundamental responsibility to leverage our resources to drive forward positive change in critical areas, such as health equity and greater economic opportunity. J&J is dedicated to helping eradicate racial and social

injustice as a public health threat by eliminating health inequities for people of color."

Courtney Billington, Head of Government Affairs, North America. Johnson & Johnson

#### Supporting healthcare policymaking in Europe

As the founding knowledge partner and sponsor of All Policies for a Healthy Europe Coalition, we strengthened our advocacy through publications and policy dialogues in three areas: the economy of well-being, the digitalization of health and environmental health. Through The Coalition for Health, Ethics and Society, a joint initiative by the European Policy Center and J&J, we held multi-stakeholder dialogues covering the ethical aspects of access to healthcare, affordability and patient choice.

#### Participating in global convenings to advance healthcare systems

J&J's participation in the 2023 UN General Assembly and related events centered on UHC, pandemic preparedness and response, <u>TB</u>, the intersection of climate and health and the rise of digital health. J&J assumed a leadership role in the UHC2030 multi-stakeholder platform (co-hosted by the World Bank and Organisation for Economic Co-operation and Development [OECD]), representing the private sector on the Task Force that that helped form the UHC Political Declaration (PD) draft. The final text emphasized sustainable financing, primary healthcare and addressing the global health workforce crisis as key to achieving UHC worldwide.

#### Supporting the healthcare workforce

We collaborated with several organizations in support of the healthcare workforce. Our engagements included:

- supporting an educational session on advocacy for <u>UHC</u>, gender equity, and the health workforce at the Women Deliver Conference in Kigali:
- continuing to participate in the Frontline Health Workers
   Coalition's Policy Working Group, advancing the introduction of a Congressional Resolution.

#### Maternal mental health

We continued to promote maternal health and supported state efforts to advance legislation extending Medicaid postpartum coverage to 12 months for new mothers, helping address disproportionate maternal mortality outcomes in disadvantaged communities. J&J also convened state legislators and community stakeholders to improve awareness, diagnosis, access and treatment of maternal mental health conditions at the 2023 National Conference of State Legislators' Annual Legislative Conference.



# About this report

Data in this annual Report, published in June 2024, cover the period between January 1, 2023, and December 31, 2023, unless otherwise indicated. Disclosures in this Report should be reviewed in conjunction with our <a href="ESG Policies & Positions">ESG Policies & Positions</a>. Reporting on other matters specific to the financial performance of the Company and its subsidiaries can be found in our <a href="2023 Annual Report">2023 Annual Report</a>. This Report covers Johnson & Johnson's worldwide operations across our two business segments, Innovative Medicine and MedTech. Contract manufacturers are excluded from the scope of this Report, unless otherwise noted. References in this Report to "Johnson & Johnson," "J&J," "the Company," "we," "us" and "our" all refer to Johnson & Johnson and its consolidated subsidiaries, unless otherwise stated or indicated by context.

All monetary references to dollars (\$) refer to U.S. Dollars (USD).

This Report also covers some activities of the Johnson & Johnson Foundation, a registered charity and a company limited by guarantee. The Foundation is a separate legal entity from Johnson & Johnson and is funded solely by Johnson & Johnson. The Foundation operates worldwide as Johnson & Johnson Foundation United States (founded 1953) and Johnson & Johnson Foundation Scotland (founded 2007). More details on Foundation activities can be found in the Johnson & Johnson Foundation United States 2023 Annual Report and the Johnson & Johnson Foundation Scotland 2023 Directors' Report.

The Report has been prepared to align with leading ESG standards and frameworks, including:

- Global Reporting Initiative (GRI) Standards (In Accordance);
- Sustainability Accounting Standards Board (SASB) Standards: HC-BP, HC-MS;
- Norges Bank Investment Management and Basel Institute on Governance's "Measuring effectiveness of anti-corruption programmes" reporting framework.

See our <u>ESG Performance Data and Indices</u> for disclosures against these standards and frameworks. We also disclose to the UN Global Compact (UNGC); see our annual <u>Communication on Progress</u>.

#### Materiality approach<sup>2</sup>

The content in this Report is aligned with our Priority Topics
Assessment, which helps us identify and prioritize the ESG topics that
are most relevant to our business. See <u>ESG governance and strategy</u>.

#### Independent review and assurance

ERM Certification and Verification Services (ERM CVS) conducted an independent review and assurance of progress against our Health for Humanity Goals and associated data, and selected information and data in this Report: See ERM's Assurance Statements. PricewaterhouseCoopers LLP (PwC) performed limited assurance on certain data as listed in the Report of Independent Accountants and Management's Assertion. (See PwC's Report of Independent Accountants and Management's Assertion): Our internal 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 2023 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 2 years after acquisition, unless otherwise noted. This approach allows the new acquisitions to adjust their EH&S management and reporting systems to J&J standards. ISO and OHSAS certification data are integrated 3 years after acquisition. All data from Abiomed, which was acquired in late December 2022, are included in this Report, with the following exceptions: CO<sub>2</sub> Capital Relief Fund; EH&S Compliance and Certifications; Energy Use; Greenhouse Gas (GHG) emissions; Operational Waste; Supply Base Overview; Diverse Supplier Spend in the U.S. and globally; Supplier Engagement; Supplier Audits; and Water Use. The dates and details of recent acquisitions can be found in Note 18 (Acquisitions and Divestitures) in our 2023 Annual Report.

#### **Divestitures and Consumer Health separation**

Except for injury statistics and violations or fines, EH&S data of divested companies are excluded in the reporting year. In November 2021, the Company announced its intention to separate the Company's Consumer Health business into a new, publicly traded company, now Kenvue. Kenvue data are not included in this Report and are omitted from the 2023 data in the ESG Performance Data and Indices section of this Report. No prior-year data from 2022 and 2021 have been restated following the Kenvue separation, unless specifically noted.

#### Restatements

We use a 5% change threshold to apply to significant changes in data or information that is restated, unless otherwise noted. There are several 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). ESG performance data from 2022 and 2021 have not been restated to omit Kenvue data unless specifically noted. 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 Office of the Corporate Secretary at: WW-Corporate-Governance@its.jnj.com. Please visit the Reporting hub for our archive of annual Health for Humanity Reports.



<sup>2</sup> Materiality as used in this Report and our PTA process are different than the definitions used in the context of filings with the U.S. Securities and Exchange Commission and other global reporting frameworks.

# Global health equity

"As we continue to close the gap between community and care, we can make a truly profound impact on health for humanity.

Enhancing equitable access to our medicines and medical devices and helping make them available to patients around the world is core to our approach. At the same time, we invest heavily in supporting the healthcare workforce to bolster community care systems."

Vanessa Broadhurst, Executive Vice President, Global Corporate Affairs, Johnson & Johnson



# Empowering the healthcare workforce

We believe if we address the challenges facing health workers, we will improve healthcare for everyone. To accomplish this, we engage stakeholders and collaborators to support education and leadership programs, make investments in new models of care and advocate for systemic change.

With an anticipated shortfall of 10 million health workers by 2030,3 health inequities may deepen without deliberate, sustainable support for today's health workforce and investment in the health workers of tomorrow. Robust community-based health systems with well-trained, well-equipped and well-supported nurses and community health workers (CHW) are foundational to achieving UHC to reach half the world that lacks essential health services.<sup>4</sup> These health workers play a critical role in delivering inclusive, equitable and cost-effective primary healthcare by helping communities manage their health and creating a trusted bridge to formal health systems. 

(1) Policies & Positions

Supporting health workers has been a J&J Health for Humanity Goal for several years, and in 2022, we achieved our goal of supporting more than 1.3 million health workers. In 2023, we reached 972,800 nurses, midwives and <u>CHWs</u>, bringing our overall total to more than 2.28 million health workers supported since 2021. Our activities in 2023 bolstered frontline healthcare in the U.S. and around the world, including:

#### Supporting access to community healthcare

We have maintained our decades-long philanthropic partnerships with an active and deeply embedded network of community organizations, continuously working to understand local needs and support effective solutions for the New Brunswick, where our global headquarters are located, and greater New Jersey community. Among the initiatives we support are:

- continuation of the Community Interpreter Program in partnership with the local Community Health Center and Rutgers University, a program we jointly founded 25 years ago that continues to be relevant in today's increasingly diverse community;
- expansion of community-based Health Navigator (Promotoras) and visiting nurse programming to conduct culturally relevant outreaches that deepen the understanding of patient needs, break down barriers, and enable connection and referral to appropriate care.

These programs typically serve the underinsured, uninsured and financially vulnerable community members in New Brunswick and the broader region. Local partner survey data show that as many as 70% of patients prefer or need their clinical encounters to be conducted in a language other than English.

Additionally, through the Johnson & Johnson Foundation, we continue to support the New Jersey health workforce pipeline through:

- substantial scholarships and academic support for students pursuing nursing and health-related fields of study at Middlesex College and the Independent Colleges of New Jersey;
- seed-funding the healthcare component of the New Jersey Pay It
   Forward program, led by the NJ CEO Council, which provides no interest, no-fee loans to nursing students at Hudson County College
   in Jersey City, starting with the class graduating in June 2023.

#### Championing nurses across the U.S.

J&J has proudly championed the nursing profession for more than a century. With the invaluable insights that come from hands-on experience, nurses are uniquely positioned to move healthcare forward. When we work together to support nurses, we advance better healthcare for all. In 2023, we supported nurses by:

- Driving interest in nursing and making the profession more accessible
  by providing 113 scholarships and running advertising geared toward
  recruiting nursing students from underrepresented groups, as well as
  supporting minority participation at the Chief Nursing Officer Institute
  to build and strengthen emerging nurse executives' leadership skills.
  To spark interest in the nursing profession, we partnered with the
  Association of periOperative Registered Nurses (AORN) to drive awareness of the perioperative specialty that is experiencing a shortage.
- Improving innovation skills through NurseHack4Health events with Microsoft and SONSIEL that provided nurses with the skills, resources and frameworks to implement innovation within their organizations, including helping enable a nurse-led team from Vancouver Coastal Health to bring its Al charting solution to life. Alongside this, the Johnson & Johnson Foundation partnered with the Institute for Healthcare Improvement to fund a New Models of Care project, working with five health systems to help scale innovative acute care delivery systems that attract a diverse nursing workforce.



"Nurses are natural innovators, but for them to create and implement rigorous innovative solutions to the problems they see in their practice requires education, training, resources and mentorship. That is why the programs supported by Johnson & Johnson

are so critical to empowering nurses to lead in the healthcare innovation space. They provide experiences that most nurses will not get anywhere else."

Marion Leary, Ph.D., MPH, RN, Director of Innovation, University of Pennsylvania School of Nursing



<sup>3</sup> WHO, "Health Workforce," <a href="https://www.who.int/health-topics/health-workforce">https://www.who.int/health-topics/health-workforce</a>, accessed February 2024.

<sup>4</sup> WHO, "Billions left behind on the path to universal health coverage," <a href="https://www.who.int/news/item/18-09-2023-billions-left-behind-on-the-path-to-universal-health-coverage">https://www.who.int/news/item/18-09-2023-billions-left-behind-on-the-path-to-universal-health-coverage</a> accessed February 2024.

 Catalyzing a healthy work environment through programs and partnerships like the J&J Nurse Innovation Fellowship, powered by Penn Nursing and The Wharton School at the University of Pennsylvania, we supported 20 senior nurse leaders to advance nurse-led innovation and leadership within health systems.
 Learn more →

# Addressing the impacts of climate change on health equity in the U.S.

We are focusing our environmental health equity efforts on communities that may experience health inequities exacerbated by climate change Through The Climate Health Equity for Community Clinics Program, an initiative J&J supports with Americanes and The Center for Climate, Health and the Global Environment at Harvard T.H. Chan School of Public Health (Harvard Chan C-CHANGE), we aim to bolster climate resilience in 100 free and charitable clinics and community health centers across the U.S. by 2025. In 2023, the first 10 pilot clinics got underway and will develop evidence-based action plans to protect vulnerable patients from the health impacts of climate change. These clinics, located in Arizona, Florida and Louisiana, will first focus on the health impacts caused by extreme heat. Examples of interventions could include setting up call centers to share relevant health information during heatwaves and partnering with existing community organizations that conduct home wellness checks to monitor patient safety as temperatures rise or to transport vulnerable patients to cooling centers.

We also continue to support the Climate and Health Equity Fellowship, a program led by the Medical Society Consortium on Climate and Health, to empower physicians of color to become leaders in climate and health equity education, advocacy and patient care. Each Fellow completes a 10-month intensive training program, including a project related to climate change and health equity. 2023 marked the third year of the program, which has supported more than 30 Fellows from across the U.S.

#### Supporting Kenya's community health workforce

In September 2023, members of the J&J team representing the Johnson & Johnson Foundation joined His Excellency Dr. William Ruto, President of Kenya, to reverse decades of health system reliance on women's unpaid labor by launching a new initiative to pay, equip and digitize 100,000 <u>CHWs</u> and formally integrate them into the country's health system. This milestone was achieved against the

backdrop of the Community Health Units for Universal Health Coverage (CHU4UHC) platform, co-created with the Ministry of Health in 2019 with support from the J&J Foundation, which in turn led to a holistic Kenya Community Health Strategy. CHU4UHC played a catalytic role in mobilizing co-funders and government bodies to collaborate on a plan to address CHW issues at a systemic level and put Kenya on a path toward UHC by 2030.

#### Advancing the vision of Healthy China 2030

Facing a shortage of <u>CHWs</u>, part of <u>China's Healthy China 2030</u> plan, aims to provide training to 100,000 CHWs in several key areas including treatment and control of common diseases, health promotion for the elderly, and mental health rehabilitation services. The Johnson & Johnson Foundation provided a grant to China's National Health Commission's International Health Exchange and Cooperation Centre to enable capacity building initiatives that improve primary healthcare services and mental health support.

#### **Empowering community health workers in Brazil**

Through the J&J Foundation, we supported establishment of A CASA to support CHWs in Brazil. The A CASA project is a space for connection, learning, improvement, and exchange for CHWs to improve their overall work experience and working conditions. Designed and managed in collaboration with the Institute for Research and Support for Social Development, the National Council of Municipal Health Secretariats and the National Confederation of Health Agents, the project has already impacted more than 10,000 CHWs, and plans are in place to further expand the program across all 26 states in Brazil.

#### Easing pressure on UK's mental health services

To help boost capacity among clinical staff in the UK to engage in preventive mental healthcare, Mental Health UK proposed the Mental Health Navigation model as a cost-effective, person-centered approach to mental healthcare. The three-year Community Mental Health Navigator pilot program was launched in 2020, with support from J&J UK and the Johnson & Johnson Foundation to address the non-clinical needs of people experiencing mental illness. With the aim of reducing demand on the capacity of general practitioners, mental health nurses and other care professionals, four navigators were initially funded, and this expanded to 16 during the pilot, reaching almost 5,000 disability- owned patients. The program has been further

expanded with funding from the UK National Health Service, and now approximately 40 navigators are operating in the UK with plans to embed a navigator in primary care networks across the country.

### Impact investing to accelerate access to healthcare worldwide

Impact Ventures by the Johnson & Johnson Foundation is a \$50 million impact investment fund focused on companies and entrepreneurs innovating to improve health equity and accelerate access to quality and affordable healthcare for under-resourced patients around the world. Financial returns from successful portfolio companies are reinvested, enabling further expansion of the fund's impact. Impact Ventures also actively supports its portfolio companies, leveraging the broad network and healthcare expertise across J&J.

This was a year of significant investment activity, doubling the size of the Impact Ventures portfolio to more than 20 total investments. Investments included Viebeg Medical, a company creating more robust supply chains for medical equipment in Africa, and Certinell, a telehealth and remote monitoring company helping Federally Qualified Health Centers and communities of color in the U.S. Since joining the portfolio, investees have reached more than 3.4 million patients directly and supported more than 90,000 healthcare workers. Most of these investments are in LMICs or under-resourced communities in the U.S. Impact Ventures has also actively supported the broader ecosystem for health equity entrepreneurship, providing early-stage funding for accelerator programs and venture competitions, often to under-represented founders.



# Connecting communities to care

For decades, J&J has helped address some of the world's toughest health challenges and advance global health equity. At the core of this effort is enabling people to have access to affordable lifesaving and life-enhancing treatments in every corner of the world.

Across J&J, we embed strategies that advance access to care systems for patients. For instance, we apply our Innovative Medicine Access and Pricing Principles across our entire pharmaceutical portfolio, planning for access early in the research phase.

We address health equity gaps in resource-limited settings by leveraging established and novel mechanisms to enhance equitable access to quality care in a number of areas, including:

#### **Tuberculosis**

Advancing access to treatment for drug-resistant tuberculosis

#### Global surgery

Enabling quality surgical care by closing gaps in cleft conditions, obstetric fistula and long bone fracture care

#### Vision

Treating blindness through cataract surgery training

In parallel, we have applied our proven capabilities in R&D to advance innovation and deploy solutions across diseases such as Ebola, neglected tropical diseases and AMR.

#### **Tuberculosis**

Despite being preventable and curable, tuberculosis (TB) is the world's deadliest infectious disease. Growing resistance is compounding the challenge, resulting in nearly half a million new cases of multidrugresistant TB (MDR-TB) each year, with more than 95% of TB-related deaths occurring in LMICs. 5 J&J spent 10 years developing the first new MDR-TB treatment in more than 40 years and the last 10 years advancing access to this treatment.

In 2012, after years of focused investment in R&D, we introduced SIRTURO (bedaquiline), the first targeted TB medicine with a novel mechanism of action. We have continued to invest in efforts aimed at safely and sustainably bringing more people into treatment while collaborating to help discover the next generation of medicines needed to end TB.

Today, three of every four MDR-TB patients on treatment are receiving a bedaquiline-containing regimen. Since 2014, approximately 800,000 courses of SIRTURO, our MDR-TB treatment, have been delivered to patients in 159 countries, including all 30 high-burden TB countries. Based on WHO data showing that 10 people are infected per one non-treated patient, J&J has helped avert potentially more than 7 million cases of TB.<sup>6</sup>

With regard to access, in 2023:

- We acted to support all eligible countries to procure bedaquiline through the Stop TB Partnership's Global Drug Facility, an organization that provides access to quality TB medicines and supports their appropriate use to help ensure they remain effective in the face of rising global drug resistance.
- We announced that we would not enforce patents we own and control for SIRTURO (bedaquiline) to treat MDR-TB in 134 LMICs.
   The decision is intended to assure current and future generic manufacturers that they may manufacture and sell high quality generic versions of SIRTURO without a concern that the Company will enforce its bedaquiline patents, provided the generic versions of SIRTURO produced or supplied by generic manufacturers are of good quality, medically acceptable and are used only in the 134 LMICs.



A community
health worker in
India engaged in
conversation with a
community member
on tuberculosis care
(Credit: StopTB)

<sup>5</sup> WHO, <a href="https://www.who.int/teams/global-tuberculosis-programme/tb-reports/global-tuberculosis-report-2023">https://www.who.int/teams/global-tuberculosis-programme/tb-reports/global-tuberculosis-report-2023</a>, accessed March 2024.

<sup>6</sup> Based on 10 people infected per 1 non-treated DR-TB patient, WHO data, <a href="https://www.who.int/westernpacific/health-topics/tuberculosis">https://www.who.int/westernpacific/health-topics/tuberculosis</a> and cure rate of 87.8% for patients treated with bedaquiline containing regimens, based on The Lancet Respiratory Medicine, Volume 392, September 2018, Pages 821-34.

Underdiagnosis remains a significant barrier to treatment and nearly two-thirds of the 410,000 people who develop MDR-TB each year are not diagnosed or enrolled in treatment. We are working with partners to solve the issue of underdiagnosis. Our research to understand the care journey for people affected by TB facilitates the design of solutions to improve care-seeking behavior, destignatize the disease and build community advocacy. Alongside those organizations, we have reached 120 million people at risk of living with undiagnosed TB in care-seeking behavior change campaigns, enabling 600,000 at-risk individuals to be screened, leading to more people being referred to care, diagnosed and started on treatment. Examples of our collaborative efforts include:

- ending workplace TB: Leveraging the potential of private businesses through a catalytic initiative in high-burden countries to reach employees, their families and communities through awareness, detection and treatment programs in the workplace;
- empowering youth: Engaging youth through digital-first initiatives, such as the edutainment campaign MTV Nishedh and the social media campaign, "Be the Change" in India and the educational gaming campaign "TB Warriors" in Southeast Asia, to enable early detection;
- reaching more children: Supporting integrated care initiatives to identify, test and treat children, who are among the most underresourced population, by improving care and accelerating detection in collaboration with organizations like PATH in Vietnam. Similarly, the Johnson & Johnson Foundation, has supported Aquity Innovations in South Africa.

# Global surgery

We are helping transform the future of medical intervention by tackling some of the world's most pressing healthcare challenges, including collaborating to reduce the burden of obstetric fistula and supporting surgical skills training that can significantly improve lives.

Advances in surgical technology have transformed medical care for most high-income countries, yet quality surgical care remains largely out

of reach for people living in low-income countries. As many as 5 billion people<sup>8</sup> do not have access to quality surgical care—closing this gap is critically important to advance global health equity.

#### **Strengthening the Operating Room (OR)**

In 2023, J&J and the Johnson & Johnson Foundation advanced teambased surgical skills training that can improve surgical outcomes and significantly improve lives, proudly supporting 40,000 OR and hospital staff trained in resource-limited settings. For example:

- Treating long bone fracture in Malawi: Our program in Malawi to strengthen district level surgical systems through to the OR level, helps to facilitate patient access to care for long bone fractures through a multi-pronged approach:
- donating orthopaedic implants and developing new products tailored to the specific needs of low- and middle-income countries;
- advancing a systems-wide approach that addresses the challenges facing providers by ensuring that hospitals have the resources to utilize these tools; and
- supporting training for surgeons and technical personnel.
   Through this program, we have reached five district hospitals and three central hospitals, putting quality trauma care within reach for 75% of Malawians.
- Online training in Ghana: The Johnson & Johnson Foundation funded the rapid expansion of online interactive training at the Medical & Surgical Skills Institute (MSSI) in Accra, Ghana. The MSSI has expanded its digital and online training capabilities and quadrupled the number of trainees across a range of surgical and medical courses.
- UN Global Surgery Learning Hub: The Johnson & Johnson
   Foundation funded the Global Surgery Foundation to establish
   the UN Global Surgery Learning Hub to strengthen the surgical
   community by streamlining and increasing access to online training
   for surgeons. The Hub maximizes digital learning by allowing
   easy online access to education and training for the surgical care
   workforce, strengthening each facet of the OR. Since its launch in
   mid-2023, the Hub has welcomed more than 3,000 learners who have
   completed more than a thousand certificates.

#### Supporting access to obstetric fistula care

For decades, we have collaborated to improve and support access to obstetric fistula care for women in Africa. We have supported the delivery of 19,900 fistula repair kits since 2021, including 11,000 in 2023, achieving our goal to reach 10,000 women, by strengthening the capacity of health workers and supporting delivery of surgical repair kits.

This year, we continued to support access to care for women living with fistula through our funding collaboration with Jhpiego, a nonprofit for international health affiliated with Johns Hopkins University, to strengthen training and community engagement. Led by Jhpiego in collaboration with county and national Ministries of Health, digital training is bridging the gap in access for health workers, including in rural settings, to receive the training they need to improve patient outcomes.

#### Advancing cleft surgery and care

Currently, 4.62 million people are living with an unrepaired or inadequately repaired cleft condition. Alongside the donation of J&J sutures, J&J and the Johnson & Johnson Foundation have funded Operation Smile surgical programs that have collectively provided more than 400,000 procedures that create "smiles" for children and young adults born with cleft conditions. As the official suture partner of Operation Smile, our shared mission is paving a path to health equity through access to safe surgery.

#### Vision

Sight is key to the way many of us experience the world, learn and remember. J&J has a bold ambition, Vision Made Possible. In 2023, we helped improve and preserve the sight of more than 40 million people worldwide through our advanced technologies and eye health solutions (see section: MedTech innovation).



<sup>7</sup> WHO, "Global Tuberculosis Report 2023," https://www.who.int/teams/global-tuberculosis-programme/tb-reports/global-tuberculosis-report-2023, accessed March 2024.

<sup>8</sup> Meara J.G., Leather A.J.M., Hagander L., et al, "Global Surgery 2030: evidence and solutions for achieving health, welfare, and economic development,", The Lancet, https://www.thelancet.com/journals/lancet/article/PllS0140-6736(15)60160-X/fulltext, accessed January 2024.

<sup>9</sup> Institute for Health Metrics and Evaluation (IHME), "New report reveals nearly half of malnutrition-related deaths in those with cleft could be prevented with access to adequate treatment and support," <a href="https://www.healthdata.org/news-events/insights-blog/acting-data/new-report-reveals-nearly-half-malnutrition-related-deaths,">https://www.healthdata.org/news-events/insights-blog/acting-data/new-report-reveals-nearly-half-malnutrition-related-deaths,</a> accessed March 2024.

#### **Enhancing access to eye care**

In communities with the greatest need, we collaborate to expand access to quality eye care for all. According to the <u>WHO</u>, approximately 90% of individuals with visual impairments live in low-income settings, <sup>10</sup> where access to eye care is limited. There is an urgent need to address disparity in eye care access and implement effective strategies to prevent and treat blindness globally.



"Our goal is to make vision possible for millions of people around the world. Eye health remains one of the most underserved segments in healthcare today. By coming together with our community partners, we strive to do even more for patients,

professionals and all of humanity, advancing eye care and access now and into the future."

Peter Menziuso, Company Group Chairman, Vision, Johnson & Johnson MedTech

Together with partners, we continued to enhance our impact in 2023 to help children and adults more fully experience life, freeing them from needless blindness.

#### Sight For Kids (SFK)

Founded by J&J and the Lions Clubs International Foundation in 2002, J&J's ongoing funding helps SFK provide comprehensive eye health services to more than 3 million children annually in low-income schools in several countries, as well as training teachers to deliver eye health education and perform basic eye tests and screenings. In 2023, SFK delivered almost 2.5 million eye screenings for children, issued spectacles for more than half a million children, and trained 220,000 teachers and volunteers. Since 2002, 48.6 million children have benefited from eye screenings.

#### **HCP Cure Blindness**

J&J supports HCP Cure Blindness to help eliminate preventable and curable blindness in under-resourced communities in 25 countries.

Our support advances training of eye care professionals, eye exams and sight-restoring surgeries.

#### See International

Building on our longstanding partnership, in 2023, J&J funded five missions to the Philippines, led by See International, bringing medical volunteers to work alongside local doctors to offer cataract surgeries and eye care services. Our funding supported all medical equipment supplies to deliver a total of 3,632 sight-restoring eye surgeries at no cost to the patients in the Philippines.

The International Agency for the Prevention of Blindness (IAPB) J&J joined the global eye health body as a member organization. Working together, we will focus on advocating for better eye health around the world.



"When I was in the Philippines, we performed over 1,000 surgeries on people blinded by cataracts over the course of a week or two and watched, one by one, as their lives suddenly changed and their families became whole again."

Dr. Jeffrey Levenson, Chief Medical Officer, See International

#### **Ebola**

The Ebola epidemic threat, with continued frequent outbreaks represents a persistent public health risk that can have a devastating impact on communities and entire health systems. Today, J&J's two-dose Ebola vaccine regimen comprising ZABDENO (Ad26.ZEBOV) and Bavarian Nordic's MVABEA (MVA-BN-Filo) is indicated for active immunization for prevention of disease caused by the Ebola virus in individuals over one year of age. Building on earlier approval from the European Commission and WHO Prequalification, our regimen received regulatory Marketing Authorizations in Rwanda, Sierra Leone

and Uganda in 2023, bringing our total to five approvals for African countries. These continued approvals are key to enabling access to our vaccine regimen for people who live under the threat of Ebola.

J&J supports the African-led approach that aims to protect people at the highest risk of acquiring Ebola. We collaborate with local and global organizations to help ensure that at-risk communities and health systems are prepared when Ebola emerges. Our collaborations include:

- INGABO: Our sixth Phase 3 study that evaluated the safety and immunogenicity of the vaccine regimen in pregnant women in Rwanda was completed in early 2023, enrolling 2,017 women. INGABO expands the body of analysis for this group at high risk of mortality from Ebola.
- Ebola prevention in the Democratic Republic of Congo (DRC): In May 2021, the Johnson & Johnson Ebola vaccine regimen was granted a temporary use authorization in the DRC to support the planned prophylactic deployment of our vaccine regimen to help prevent future outbreaks. In 2023, we donated more than 20,000 Ebola vaccine regimens to support a vaccination campaign led by the Ministry of Health, Hygiene and Prevention of the DRC, acting through its National Institute for Biomedical Research in rural "zones de santé": Mbandaka, Wangata and Bolenge. In addition to the doses, J&J also provided support in capacity building to strengthen the services associated with the administration of the regimen.
- VXNAID: Our Vaccination Monitoring Platform, VXNAID was donated by J&J to the world and is recognized as a Digital Global Good by Digital Square for advancing progress toward the UN <u>SDGs</u>. In 2023, we achieved our goal to enable global/open access to VXNAID, and adoption of the platform by at least two countries by 2025. The platform was implemented in 2023 by the Ministry of Health in the DRC as part of the Mbandaka Ebola Vaccination Campaign and was also implemented (or used) in the WHO Solidarity Trial Vaccines for COVID-19 vaccines in 2021 2023.

VXNAID integrates innovative technologies to improve vaccination campaigns and has helped improve patient tracing, data management and two-way communication to implement impactful vaccination campaigns in low-resource settings for multiple vaccine regimens. VXNAID is an open-source code, enabling global/open access to the platform for any vaccination program.

10 WHO, "Increasing eye care interventions to address vision impairment," https://www.who.int/publications/m/item/increasing-eye-care-interventions-to-address-vision-impairment#:-:text=Overview,%2Dincome%20countries%20(LMICs), accessed March 2024.



# Neglected tropical diseases (NTDs)

J&J has a nearly 20-year legacy of accelerating the fight against NTDs. We have endorsed the Kigali Declaration on NTDs, pledging to continue the mebendazole donation program and to advance novel R&D programs to discover new medicines needed to beat diseases such as leprosy.

#### Intestinal worms

In 2023, we donated 200 million doses of VERMOX Chewable (mebendazole chewable 500Mg tablets), bringing our total to more than 2.4 billion doses of VERMOX donated in more than 60 countries since 2006. We now have extended our commitment to ensure up to 1 billion doses of the medicine are available to treat children and women of reproductive age in endemic countries between 2026 – 2030. These drug donations, alongside the collective efforts of the global health community, have helped reduce the number of children requiring treatment by over 160 million since 2018. Importantly, 31 countries no longer require preventive therapy with medicines like mebendazole because of a lower prevalence of intestinal worms in the population. This gives more children, who are particularly vulnerable to these debilitating parasitic infections, the opportunity to grow and thrive.

More than 2.4 billion doses of VERMOX Chewable were delivered since 2006, treating up to 100 million children and women of reproductive age annually for intestinal worms.

#### Leprosy

We continue to advance our commitment to help beat leprosy. The bacteria that cause leprosy are related to those that cause TB and we plan to pursue a Phase 3 trial, with the goal of contributing to the elimination of leprosy.

#### Anti-microbial resistance (AMR)

Extraintestinal pathogenic Escherichia coli (ExPEC) causes approximately 10 million cases of invasive E. coli disease (IED) each year, which includes sepsis, bacteremia, and infection of other normally sterile sites of the body and can lead to life-threatening conditions and death.<sup>12</sup> Recent studies reveal that more than 60% of IED cases are caused by E. coli resistant to at least one category of antibiotics, with 34% resistant in three or more categories.<sup>13</sup> Drug resistance is on the rise, and there are only limited therapeutic options available for IED, underscoring the need for preventive approaches.<sup>14</sup> J&J and Sanofi are partnering to develop and commercialize an investigational ExPEC vaccine candidate. which, if proven safe and effective, could help address a significant unmet medical need by helping prevent IED, including cases caused by drug-resistant strains. In addition, J&J has also set up a collaboration with the University of Cape Town Holistic Drug Discovery and Development (H3D) Centre to focus on developing precision antibiotics to treat multidrug-resistant Gram-negative bacteria (MDR-GNB). J&J is an investor in the \$1 billion AMR Action Fund, with a committed investment of \$100 million. This is the largest collective venture ever created to address AMR and aims to bring two to four new antibiotics to patients by the end of the next decade. Opolicies & Positions

#### Disaster relief

We work with trusted partners, including Americares, Heart to Heart International, MAP International, MedShare and International Health Partners, to coordinate product donations and support programs that help communities recover, rebuild and become resilient in the immediate aftermath of major disasters that are not man-made. We provide essential J&J products, as well as monetary donations and other support.

# \$4 million

The value of J&J products provided to communities impacted by natural disasters around the world in 2023

\$5.3 million

Funding provided for the readiness and immediate, mid- and long-term response to natural disasters in 2023

This includes supporting The International Federation of Red Cross and Red Crescent Societies (IFRC) and its national societies in response to the earthquakes in Turkey, Syria and Morocco, as well as flooding in Slovenia and Libya. We also worked with global and regional partners in response to flooding in Brazil, the Maui wildfires and multiple crises affecting the Acapulco region in Mexico. (§) Policies & Positions

## Community giving

J&J is an essential part of the fabric of society in communities around the globe. We care deeply about the well-being of our communities, and we use our reach and share our resources with communities around the world, through collaborations and partnerships to forge a healthier, more equitable future for all. In 2023, we provided over \$4.3 billion worth of products and cash, inclusive of disaster relief and the value of free product provided directly to patients and donated to the Johnson & Johnson Patient Assistance Foundation, Inc. (JJPAF), an independent, nonprofit organization. For details of the different categories of J&J's giving channels, please see ESG Performance Data and Indices/Global Health Equity.



<sup>11</sup> WHO, "Ending the neglect to attain the sustainable development goals: a rationale for continued investment in tackling neglected tropical diseases 2021–2030." https://www.who.int/publications/i/item/9789240052932, accessed March 2024.

<sup>12</sup> Russo T.A. and Johnson J.R., "Medical and economic impact of extraintestinal infections due to Escherichia coli: focus on an increasingly important endemic problem," Microbes Infect., 2003 April;5(5):449 – 56, <a href="https://www.sciencedirect.com/science/article/pii/S1286457903000492">https://www.sciencedirect.com/science/article/pii/S1286457903000492</a>, accessed September 2023. NOTE: The statistics around infections and deaths caused by ExPEC are based on figures in the U.S., which have been multiplied by a factor of 22, extrapolating the U.S. figure to a global population figure.

<sup>13</sup> Hernandez-Pastor L., Geurtsen J., Baugh B., et al, "Clinical burden of invasive Escherichia coli disease among older adult patients treated in hospitals in the United States," BMC Infect Dis., 2023 Aug 22;23(1):550.

<sup>14</sup> Doua J, Geurtsen J, Rodriguez-Baño J, et al. Epidemiology, Clinical Features, and Antimicrobial Resistance of Invasive Escherichia Coli Disease in Patients Admitted in Tertiary Care Hospitals. Open Forum Infect Dis. 2023;10(2):ofad026. Published 2023 Jan 27. doi:10.1093/ofid/ofad026, and Bonten M, Johnson JR, van den Biggelaar AHJ, et al. Epidemiology of Escherichia coli Bacteremia: A Systematic Literature Review. Clin Infect Dis. 2021;72(7):1211-1219. doi:10.1093/cid/ciaa210.

# Our Race to Health Equity

At the heart of Johnson & Johnson's commitment to health equity is our desire to create a world where the color of your skin does not determine access to care, quality of care or health outcomes. Launched in 2020, Our Race to Health Equity (ORTHE) is our multiyear initiative focused on closing the racial health gap in the U.S.

ORTHE focuses on eliminating health inequities for people of color in the U.S. At the end of 2023, our investments totaled \$80 million to community-led organizations and programs. Together these efforts have provided vital health services and information to 4.5 million people of color and trained and supported 600,000 HCPs.

The key areas of impact we advanced in 2023 include:

- A call to action with My Health Can't Wait: This community wellness
  initiative expanded access to vital health information and support
  for patients and caregivers in communities of color, reaching more
  than 100,000 people. Outreach included supporting grass roots
  community organizations to provide preventive health screenings
  and educational resources on heart health, stroke, cancer and vision
  care at 25 events in 19 cities.
- Increasing diversity in the healthcare workforce: J&J invested in programs to increase diversity among surgeons, doctors and nurses because a diverse healthcare workforce improves quality of care and patient outcomes for all populations. In 2023, J&J supported 113 scholarships for Black, indigenous and people of color nursing students through the Foundation of the National Student Nurses Association. With the National Medical Fellowships, J&J initiated the Alliance for Inclusion in Medicine scholarship program to support 160 diverse HCPs enter medical school with 40 in place by the end of 2023. With the Society of Black Academic Surgeons, J&J supports the Diverse Surgeons Initiative and provided training to 28 diverse surgical residents from 14 key teaching institutions in 2023.

- Catalyzing health equity efforts with the Business Matching Fund: With an investment of almost \$38 million by the end of 2023, the Business Matching Fund has supported more than 50 programs to date. J&J matches the dollar amount each J&J business unit invests in grass roots community organizations to advance health equity in the U.S. For examples, one program helps to address peripheral artery disease (PAD) in Black communities: SAVE LEGS. CHANGE LIVES is a multiyear initiative that aims to create urgency and action to address the hidden threat of PAD-related amputation.
- Ensuring "Research Includes Me": Our initiative to boost diverse representation in clinical trials, which has helped to ensure more than 80% of J&J clinical trials with diversity enrollment goals achieved their targets (see section: Research for healthier outcomes).



"ORTHE has given me and my colleagues the unique opportunity to improve health, advance science and foster the careers of surgical residents from underrepresented groups in key academic health systems."

Sarfraz Safir, Director, Professional Education-Academic Health Systems & Resident Education, MedTech Education, Ethicon, and Business Matching Fund Recipient, Johnson & Johnson



# Research for healthier outcomes

We are helping shape the future of clinical trials by ensuring they are more diverse, inclusive and equitable.

#### **Improving diverse representation**

Our global Diversity, Equity and Inclusion in Clinical Trials (DEICT) team works to embed DEI at every stage of the clinical trial process.

#### **Innovative Medicine**

In 2023, 84% of our actively recruiting clinical studies were on track with their enrollment goals for diverse patients, as planned in their diversity action plans. We have created diversity action plans across clinical trials in all therapeutic areas; 26 diversity actions plans were submitted to the FDA in 2023. Further, we expanded tracking progress against our goals with an internal DEICT Dashboard, allowing study teams to monitor enrollment goals to ensure a representative patient population. J&J engages in several community partnerships to enhance trial recruitment of Black, indigenous and people of color. We work with Acclinate, a digital healthcare company, to engage with multiple online communities on Acclinate's #nowincluded platform that has subscribed more than 100,000 members within Black communities in the U.S. To identify key communities in which patients reside, we work with advocacy groups such as the Lupus Research Alliance, and communitybased organizations, such as Black Health Matters. These groups raise awareness of clinical research opportunities among their communities, providing information to help patients and caregivers make informed decisions on their healthcare treatments.

We continue to leverage our Research Includes Me website, connecting patients to current trials and partners with advocacy groups with an aim to boost diverse representation in clinical trials through diverse site selection and patient recruitment. As of 2023, more than 80% of J&J clinical trials with diversity enrollment goals achieved their targets. In 2023, the Research Includes Me website was refreshed and broadened its reach to <u>LGBTQIA+</u> individuals, older adults and people who are

pregnant, or may become pregnant, in addition to the original focus on Black and brown communities. We reached thousands of patients with Research Includes Me mobile units, educating patients about clinical trials in their communities and at local healthcare events.

Learn more  $\rightarrow$ 



"Inclusion and diversity are essential in medical research to ensure that scientific results accurately reflect the broader population. By breaking down barriers and improving access to research and clinical trials, we are paving the way for equitable healthcare

solutions and better health outcomes for all communities."

Roslyn Daniels, Founder and President of Black Health Matters

#### MedTech

Our MedTech teams advance initiatives to improve representation in clinical research and drive innovation and growth to serve patients of all backgrounds. In 2023, J&J MedTech engaged with the MedTech Color Collaborative by participating in committees shaping the organization's DEI activities in clinical trial research and product development. For example, the Recruitment and Retention Subcommittee developed best practices resources for recruitment and retention of minority patients, and the Disease State Awareness Subcommittee launched the Heart-to-Heart Program with the goal of removing structural barriers that lead to health disparities in the care and treatment of women of color. In addition, J&J MedTech supported the MedTech Color Collaborative and the Heart-to-Heart Program by providing transportation vouchers

to help women attend their medical appointments to improve access to healthcare. Additionally, the MedTech DEI in Clinical Research program, a multiyear effort designed to increase patient access, moved forward with pilot programs to engage and recruit Black, indigenous and people of color patients into our <u>AFib</u> clinical trials.

#### Boosting equity in eye care

J&J Vision addresses the gap of diversity and cultural representation in the eye care field and commits resources across optometry and ophthalmology to positively impact eye health in under-resourced communities. For example:

- J&J supports the Rabb-Venable Excellence in Ophthalmology
   Program which provides opportunities for medical students, residents
   and fellows who are underrepresented in medicine or who desire to
   work in under-resourced communities. The program is committed
   to diagnosing, preventing, and treating the many sight-threatening
   diseases that affect minority patients and the general population.
- To help increase female leadership in the ophthalmology community, where representation is currently just 20%, <sup>15</sup> J&J Vision published key findings from its Women in Ophthalmology survey, revealing barriers faced by more than 100 female ophthalmologists in their educational and professional journey, with the goal of empowering more women to pursue the field.

J&J was the first major eye health company to sign The 13% Promise, an initiative created by nonprofit Black EyeCare Perspective, to create and sustain a standard of equality that will improve and increase representation of Blacks and African Americans in optometry to more closely align with their representation in the U.S. population.

#### **Advancing women in orthopaedics**

There is a recognized lack of women physicians in the orthopaedics profession and specifically within orthopaedic surgery: Only 15% of orthopaedic residents in the U.S. are female. In 2023, our internal J&J MedTech-led Women of Orthopaedics initiative, which spotlights and supports J&J MedTech women specializing in orthopaedics, engaged with leading professional associations to motivate awareness and action to increase gender diversity in this important profession.



<sup>15</sup> Women in Ophthalmology (WIO), "Homepage," wioonline.org, accessed February 2024.

<sup>16</sup> Van Heest A.E., Agel J., Samora J.B., "A 15-Year Report on the Uneven Distribution of Women in Orthopaedic Surgery Residency Training Programs in the United States," JBJS Open Access, 6(2):e20.00157, April-June 2021, https://journals.lww.com/jbjsoa/Fulltext/2021/06000/A\_15\_Year\_Report\_on\_the\_Uneven\_Distribution\_of:10.aspx, accessed March 2023.

# **Innovative Medicine**

Our strength in healthcare innovation empowers us to build a world where complex diseases are prevented and cured, treatments are smarter and less invasive, and solutions are personal. We work to develop treatments, aspiring to find cures, pioneering the path from lab to life and championing patients every step of the way.

Innovation has been an essential part of the fabric of J&J for more than 135 years. Thanks to the incredible efforts of the tens of thousands of scientists, researchers, engineers, designers and clinicians, we have pioneered multiple breakthroughs to benefit health for humanity.

### Oncology

While we are inspired by emerging new science and tangible progress in the elimination of cancer, we are driven by enormous global unmet medical needs that continue to persist in disease treatment. Cancer remains a leading cause of death globally.<sup>17</sup> In 2023, we made breakthrough progress with new therapies for different types of cancer:

#### Multiple myeloma

Despite treatment advancements, management of multiple myeloma remains challenging. There is no cure and patients have few options to treat later-stage disease. In 2023, the <u>FDA</u> granted accelerated approval of TALVEY (talquetamab-tgvs), the first-in-class bispecific antibody therapy to target the receptor GPRC5D on multiple myeloma cells, as well as CD3 on T-cells for the treatment of adult patients with relapsed or refractory multiple myeloma who have received at least four prior

lines of therapy, including a proteasome inhibitor, an immunomodulatory agent and an anti-CD38 antibody. This milestone marks the approval of J&J's fifth innovative therapy in less than a decade and second bispecific antibody approved for the treatment of relapsed/refractory multiple myeloma, further delivering on our commitment to address unmet needs for people who are living with this complex disease through a portfolio of first-in-class, complementary immunotherapies that target the disease in different ways.

#### Prostate cancer

While survival rates with metastatic prostate cancer have improved, fewer than one-third of patients survive 5 years after diagnosis. IB In 2023, the FDA and the European Commission approved our AKEEGA (niraparib in combination with abiraterone acetate), a poly ADP ribose polymerase (PARP) inhibitor, as a dual-action tablet, given with prednisone, for the treatment of patients with first-line metastatic castration-resistant prostate cancer (mCRPC) and breast cancer (BRCA) gene mutations. This marks the approval of J&J's third prostate cancer treatment and highlights the importance of advancing precision medicine approaches and genetic testing. Patients with BRCA-positive mCRPC can benefit from the new combination therapy, available in a dual-action tablet formulation that may improve adherence and reduce pill burden.



"We will lead the pharmaceutical industry and transform the lives of millions of patients throughout the world by delivering breakthrough innovation to prevent, treat and cure some of the world's most devastating diseases. At J&J

Innovative Medicine, we will lead where medicine is going."

**Jennifer Taubert,** Executive Vice President, Worldwide Chairman, Innovative Medicine, Johnson & Johnson

#### Bladder cancer

In the U.S., about 800,000 people are living with bladder cancer,<sup>19</sup> with limited treatment options. Our TAR-200, an investigational targeted releasing system in development, represents a novel approach for the treatment of bladder cancer and was granted FDA Breakthrough Therapy Designation in 2023. This treatment innovation represents a pivotal step forward in our commitment to transform the way bladder cancer is treated.

#### Lung cancer

Lung cancer is the leading cause of cancer mortality worldwide, resulting in 1.8 million deaths every year,<sup>20</sup> with non-small cell lung cancer (NSCLC) accounting for 85% of all lung cancer cases.<sup>21</sup> We are advancing important innovations and accelerating the development of new treatment regimens in an effort to transform the standard of care for patients. In three Phase 3 studies, RYBREVANT (amivantamab-vmjw) our internally discovered and developed bispecific antibody, was associated with improvement in progression-free survival. These pivotal study findings also served as the basis for three regulatory submissions to the FDA seeking to expand the use of RYBREVANT to help more patients with NSCLC.



<sup>17</sup> WHO, 2022 Cancer Fact Sheet. https://www.who.int/news-room/fact-sheets/detail/cancer, accessed April 2022.

<sup>18</sup> Pritchard C.C., Mateo J., Walsh M.F., et al, "Inherited DNA-Repair Gene Mutations in Men with Metastatic Prostate Cancer," The New England Journal of Medicine, 2016;375(5):443-453, https://www.nejm.org/doi/full/10.1056/NEJMoa1603144, accessed February 2024.

<sup>19</sup> Urology Care Foundation, "Muscle Invasive Bladder Cancer," https://www.urologyhealth.org/healthy-living/urologyhealth-extra/magazine-archives/fall-2020/muscle-invasive-bladder-cancer, accessed February 2024.

<sup>20</sup> Thandra K.C., Barsouk A., Saginala K., et al, "Epidemiology of lung cancer," Contemp Oncol (Pozn), 2021;25(1):45-52.

<sup>21</sup> American Cancer Society, "What Is Lung Cancer?," https://www.cancer.org/content/cancer/lung-cancer/lung-cancer/about/what-is.html, accessed November 2023.

#### **Immunology**

Our vision is to restore health for all people living with immune diseases. Inspired by the promise of helping patients reclaim their lives, our immune pathway strategy aims to deliver transformational and accessible therapies for patients, redefining a standard of care that demands durable, symptom-free remission. In 2023, we made progress in the following areas:

#### Maternal fetal health

We are investigating nipocalimab as the potential first noninvasive intervention and potential first treatment for pregnancies at risk of early-onset severe hemolytic disease of the fetus and newborn (HDFN), a rare disease where alloantibodies from the pregnant person cross the placenta, attacking fetal red blood cells that can result in the death of the fetus. Our Phase 2 open-label study that enrolled 13 patients demonstrated 54% of live births at or after gestational age of 32 weeks without the need for an intrauterine transfusion, compared to the historic reference point of 10%, which was derived from published and unpublished data. Our Phase 3 pivotal study is ongoing.

#### Plaque psoriasis

We progressed a potential new advanced treatment in the convenience of a pill that could offer a new option for patients living with moderate to severe plaque psoriasis. The first positive results of our Phase 2b clinical trial for JNJ-2113 in severe plaque psoriasis were shared at the World Congress of Dermatology. JNJ-2113 in psoriasis is the first and only targeted oral peptide that is engineered to selectively block the IL-23 receptor, which is known to activate an inflammatory response. This investigational treatment has the potential to change the immunology treatment landscape and improve lives for millions of patients living with plaque psoriasis.

22 Gustavsson A., Norton N., Fast T., et al., "Global estimates on the number of persons across the Alzheimer's disease continuum," Alzheimer's Association, <a href="https://alz-journals.onlinelibrary.wiley.com/doi/full/10.1002/alz.12694">https://alz-journals.onlinelibrary.wiley.com/doi/full/10.1002/alz.12694</a>, accessed February 2024.

#### Neuroscience

We aim to reduce the burden, disability and devastation caused by serious neuropsychiatric and neurodegenerative and neurological autoantibody-driven diseases. In 2023, we further advanced significant neuroscience solutions to improve lives:

#### Alzheimer's disease (AD)

Scientific advances have revealed that AD begins with the abnormal accumulation of two proteins—amyloid and tau—15 – 20 years before symptoms manifest. There are an estimated 315 million people globally with preclinical AD,<sup>22</sup> meaning that pathological changes have begun in the brain, but they are not showing any symptoms. In partnership with AC Immune, we are progressing a potentially first-in-class tau active immunotherapy for patients with AD with a Phase 2b clinical trial beginning this year. We aim to demonstrate that tau active immunotherapy can prevent or slow progression of tau pathology and onset of clinical symptoms in patients with preclinical AD who have yet to show signs of disease.

#### **Treatment-resistant depression**

Results from our long-term clinical trial comparing SPRAVATO (esketamine) CIII nasal spray with a commonly prescribed oral antipsychotic, both in combination with an oral antidepressant, in patients with treatment-resistant depression found those who received SPRAVATO were 1.54 times more likely to reach remission after eight weeks compared to those who received the antipsychotic.



"These studies build on J&J's more than 60-year legacy of pioneering innovation in neuropsychiatry. SPRAVATO is the first new mechanism of action in more than three decades to treat two challenging types of depression in adults in combination with

an oral antidepressant: patients with treatment-resistant major depressive disorder and depressive symptoms in patients with major depressive disorder with suicidal thoughts or actions."

**John C. Reed,** M.D., Ph.D., Executive Vice President, Innovative Medicine, R&D, Johnson & Johnson



The German Federal Ministry of Health recently designated SPRAVATO as a Major Added Benefit, meaning SPRAVATO showed a sustained and substantial improvement not previously achieved by standard of care. SPRAVATO is the only psychiatry therapy to receive this benefit since the introduction of the assessment in 2011.

#### Generalized myasthenia gravis (gMG)

We are making significant progress in addressing the unmet needs of people living with generalized myasthenia gravis (gMG), a rare, debilitating autoantibody disease for which limited treatment options are available. Many patients fail to adequately respond to currently available treatments, creating the need for more targeted therapies with better efficacy and tolerability. In 2023, positive results of a Phase 2 study of nipocalimab in patients with gMG were published in Neurology, a peer-reviewed journal of the American Academy of Neurology, showing a rapid and sustained clinical response over placebo.

In December 2023, we held an Enterprise Business Review, where Company leaders shared a detailed review of our Innovative Medicine and MedTech businesses and their respective pipelines, and discussed our long-term strategy to deliver value for our stakeholders and better health outcomes.

Learn more  $\rightarrow$ 



# MedTech innovation

Drawing on more than a century of working alongside clinicians, we are focused on solving the world's most pressing healthcare challenges through innovations at the intersection of biology and technology.

With a global scale and deep expertise in surgery, orthopedics, vision and interventional solutions, J&J MedTech tackles the world's most pressing healthcare challenges. Our innovations enable clinicians to reach the hardest-to-reach parts of the body, treat with pinpoint precision, restore anatomy and reimagine healing and recovery. Together, we will continue to develop smarter, less invasive, more personalized solutions to tackle the leading causes of mortality around the world.

#### Surgical advancements

We continue to advance solutions in surgery applications for patients around the world. In 2023, key examples included:

#### Robotic-assisted surgery headway

In 2023, our VELYS Robotic-Assisted Solution, part of our VELYS Digital Surgery Platform that uses digital technology, robotics



"The rapid acceleration of technology offers us an unprecedented opportunity to help transform patient care. At J&J MedTech, we are committed to advancing innovation and working to ensure that every breakthrough enhances care, improves patient outcomes

and democratizes access for more people around the world."

**Tim Schmid,** Executive Vice President, Worldwide Chairman, MedTech. Johnson & Johnson

and data insights to improve patient care, expanded outside the U.S. and received the European CE mark and the UK Conformity Assessed (UKCA) mark. Approved for use in 18 markets, more than 43,000 ATTUNE knee procedures have been performed with the VELYS Robotic-Assisted Solution globally.

In 2023, we announced the first patient received roboticassisted removal of kidney stones using the MONARCH Platform, Urology as part of a clinical study at the University of California, Irvine.

Additionally, our MONARCH Platform was approved in China. This achievement secures the Monarch Platform as the first Robotically-Assisted Platform for Endobronchial Surgery approved in China.

J&J MedTech also provided details and shared expected timelines to submit for regulatory approval of OTTAVA, a general surgery robot, in order to begin clinical trials. Building on J&J's more than 135 year legacy in surgery, the OTTAVA surgical system is designed to create space in the <u>OR</u>, simplify complex workflows and enable flexibility for clinical approaches using our trusted Ethicon instrumentation.

#### Bleeding management

Despite the many advancements in surgery in recent decades, only 40% of all surgeries employ effective bleeding and leak control.<sup>23</sup> We are helping to elevate standards of care for bleeding management to close

this critical gap, and in 2023, we announced CE mark approval for our ETHIZIA Hemostatic Sealing Patch, a unique treatment option for surgeons to address bleeding and leak sites during surgery, especially in difficult-to-control bleeding situations. In a clinical trial, disruptive bleeding ceased in 30 seconds in 82% of patients receiving ETHIZIA and in 3 minutes in 97% of patients, significantly faster than our previous sealant products.

#### Cardiovascular breakthroughs

Leveraging our leadership in cardiac arrhythmia treatment, we advanced critical innovations in 2023, including gaining approval from the Japanese Ministry of Health, Labour and Welfare for the VARIPULSE Platform for the treatment of <u>AFib</u>. AFib is the most common type of cardiac arrhythmia, impacting nearly 38 million people worldwide and approximately 1.3 million people in Japan.<sup>24</sup> The VARIPULSE Platform, differentiated by its CARTO 3 System integration and mapping capabilities, is the first Pulsed Field Ablation System approved in Japan.

The world's smallest heart pump—IMPELLA—reached a significant milestone with more than 300,000 patients treated globally since 2008. This technology provides temporary hemodynamic support, allowing the heart to rest and helping patients return home with their native heart.



"By advancing what's next in surgery, we aim to unlock what science and technology can do to improve the surgical experience and health outcomes for everyone."

Hani Abouhalka, Company Group Chairman, Surgery, Johnson & Johnson MedTech



<sup>23 2017</sup> Biosurgery US/EU Bleeding Domain Research; 2020 Biosurgery China Bleeding Domain Research, n=66,584 bleeding occasions.

<sup>24 &</sup>lt;a href="https://www.jnjmedtech.com/en-US/news-events/biosense-webster-announces-regulatory-approval-varipulse-pulsed-field-ablation-pfa">https://www.jnjmedtech.com/en-US/news-events/biosense-webster-announces-regulatory-approval-varipulse-pulsed-field-ablation-pfa</a>.

Mensah, G, Fuster, V, Murray, C. et al. Global Burden of Cardiovascular Diseases and Risks, 1990-2022. J Am Coll Cardiol. 2023 Dec, 82 (25) 2350–2473.

#### Stroke care advances

We are proud to be on the front lines of stroke care—where every second counts—and strive to give patients a new lease on life after stroke. In 2023, CEREPAK detachable coils, designed to embolize brain aneurysms, were made available across the U.S. Additionally, in China, we launched CERENOVUS Stroke Solutions, our comprehensive system to aid physicians in clot-removal procedures.

#### **Accelerating orthopaedics**

Approximately 1.7 billion people have musculoskeletal disorders world-wide.<sup>25</sup> In 2023, we advanced solutions to address orthopaedic care:

#### **Expanding across specialties**

We continued to introduce new solutions for hip and knee procedures under our VELYS Enabling Technology Platform that supports surgeon skills with data, insights, planning and execution solutions personalized for each procedure. We received FDA 510(k) clearances further addressing unmet needs in specialty areas within spine and foot and ankle. Our TRIALTIS Spine System offers a comprehensive implant portfolio and advanced instrumentation to help surgeons achieve more consistent outcomes in treating complex spine conditions. Additionally, our TRILEAP Lower Extremity Anatomic Plating System provides a diverse offering of contoured and conventional plates that can accommodate multiple screw diameters and instruments that can be used during the reduction, internal fixation and fusion of bones and bone fragments.

#### Leveraging AI in the OR

DePuy Synthes, J&J's orthopaedics business, entered a strategic development and distribution collaboration with Ortoma AB, a Swedish medical technology company, to integrate DePuy Synthes technology into Ortoma's OTS Hip solution for hip replacement surgery. The Ortoma system's software is based on Al and enables preoperative planning, intraoperative navigation and postoperative follow-up of hip replacement procedures.

During 2023, we introduced several new orthopaedic solutions to benefit patients in China, driven by market needs and enabled by



regulatory approvals by the National Medical Products Administration (NMPA). These included: the first cementless hip stem in China available in different sizes, allowing hip replacement surgery for a broad range of patients; a bone-borne maxillomandibular fixation system that achieves perfect alignment of dental and jawbone settings to repair facial fractures; and the first cementless biological fixation tibia, which includes our patented ATTUNE Knee System technologies, enabling total knee replacement that provides high patient mobility and lower pain levels.

#### **Innovations in vision**

In 2023, J&J brought new eye health solutions to patients around the world. These included TECNIS Odyssey, which received PMA approval in the US, and TECNIS PureSee, which received the CE mark in Europe.

These next-generation intraocular lenses (IOLs) are designed to provide cataract patients with clear vision in all lighting conditions and less visual disturbances. Cataracts are a common eye condition where the natural lens becomes clouded, impairing a patient's vision. According to the National Eye Institute, more than half of all Americans aged 80 or older either have cataracts or have had surgery to remove cataracts. Developed for patients seeking more freedom from glasses post-surgery, the cutting-edge technology behind our TECNIS family of IOLs helps reduce unwanted side effects and offers high-quality vision for life.



<sup>25</sup> WHO, "Musculoskeletal health," <a href="https://www.who.int/news-room/fact-sheets/detail/musculoskeletal-conditions">https://www.who.int/news-room/fact-sheets/detail/musculoskeletal-conditions</a>, accessed March 2024.

<sup>26</sup> National Eye Institute, https://www.nei.nih.gov/learn-about-eye-health/eye-conditions-and-diseases/cataracts, accessed January 2024.

# Digital technology and innovation

Across our company, we combine innovative technologies with leading science to deliver care in groundbreaking new ways, from early-stage innovation to commercialization.

# External innovation and collaboration

Johnson & Johnson Innovation is comprised of dedicated teams of scientists, entrepreneurs, and investors, whose mission is to find and accelerate the most promising early discoveries that could transform human health. With approximately 50 percent of the J&J Innovative Medicine pipeline being derived through external collaborations and with J&J MedTech's new investments in cardiovascular disease, our innovation partnering model supports pharmaceuticals and medtech entrepreneurs at any stage of their development, with personalized attention and capabilities including access to incubation and acceleration through <u>JLABS</u>, collaborations and deal-making through our Innovation Centers, equity investment through our investment fund (JJDC), business development for mid- and latestage opportunities and our expertise and mentoring from our global network.



"We bring together outstanding teams to tackle the world's toughest health challenges. The ideas of today could be the therapies or medical technologies of tomorrow, and we're all-in for the journey, unlocking those ideas wherever they originate."

William N. Hait, M.D., Ph.D., Executive Vice President,
Chief External Innovation and Medical Officer. Johnson & Johnson

As a convener and accelerator of innovation around the world, J&J-Innovation incorporates diversity, equity, and inclusion initiatives into our programming to support, upskill and enable collaborators throughout the ecosystem to champion and accelerate health equity. Through our global incubator networks, we provide early-stage innovators with access to funding, resources, expertise and industry connections to accelerate the time it takes for life science and health technology innovations to reach patients. J&J QuickFire Challenges are competitions that advance potential breakthrough ideas from innovators across the globe. Awardees are provided financial support and access to the global JLABS network. In 2023, a total of \$350,000 was deployed in grant funding to support challenges focused on health equity.

The J&J-Innovation Health Equity Assessment Tool (HEAT) helps innovators in our network and beyond to benchmark and track their own impact on health equity. To date, more than 60 current and alumni JLABS companies have used the tool.

In 2023, the first cohort graduated from our external Board Fellows Program that we launched to help diverse non-J&J senior executives prepare for Board leadership roles in the healthcare industry. Two fellows have already received a Board appointment at external companies.

Through JLABS, J&J-Innovation continues to collaborate with the Biomedical Advanced Research and Development Authority (BARDA) within the U.S. on BLUE KNIGHT™, a multi-year joint initiative that currently supports more than 40 companies dedicated to

anticipating potential health security threats and developing innovative countermeasures. One of these companies is BioCold Technologies (NanoFreeze), that develops technology to improve vaccine accessibility in rural communities using technology capable of freezing at higher temperatures and for longer periods without requiring constant energy consumption. The global BLUE KNIGHT™ portfolio of current and alumni resident companies is 56% female-led and 56% minority-led.

Our corporate venture group, <u>JJDC</u>, supports a portfolio of more than 100 companies, having invested more than \$3.5 billion in capital since 2014. The fund maintains a proactive approach to driving innovation.

#### Data science and Al

In the healthcare industry, data science, Al and ML enable us to deliver breakthrough innovations and help improve outcomes for patients faster and more efficiently than ever before. At J&J, we foster trust in Al by applying this technology ethically, prioritizing data privacy, security, fairness, transparency and responsible use. We believe that Al will play a central role in understanding and treating diseases, discovering and developing therapies, equipping healthcare providers with insights, and personalizing care for patients around the globe. 
(1) Policies & Positions



"What excites me most when I consider the future of healthcare are the incredible possibilities to reimagine the ways we innovate and deliver care through technology. We must lead the way in advancing an Al-powered healthcare

ecosystem, bringing together great science, technology, and people to transform health outcomes."

**Jim Swanson,** Executive Vice President, Chief Information Officer, Johnson & Johnson



#### Accelerating clinical trial enrollment through Al

Al is playing an increasingly important role in how we plan, execute and diversify our clinical trials. We have developed a platform that enables us to apply Al to large, de-identified real-world datasets to identify where patients who meet the criteria for our clinical trials are located geographically to help inform our clinical site footprint. The top 50% of sites ranked by our new model enrolled up to three times more patients than lower-ranked sites. We are currently leveraging this platform across approximately 50 clinical trials, with more expected in 2024 and beyond. An additional benefit of this platform is that it also helps us identify new locations where there is a high probability of enrolling diverse patients into our clinical trials. For example, at the end of 2023, enrollment of Black patients in five J&J multiple myeloma trials was more than twice the historical industry average where clinical and operational excellence was augmented by data science approaches (see also section: Research for healthier outcomes).

#### Using AI for precision disease assessment

We are deploying AI to identify ways of measuring disease onset and severity with an improved degree of precision. This helps us design trials, identify the right patients and measure the impact of our medicines more objectively. Examples include:

- Inflammatory bowel disease (IBD): The severity of disease in IBD is
  typically scored based on the worst "flare" in a patient's colon, which
  underestimates variation between patients and improvements in overall
  mucosal health following treatment. To better measure and report
  the severity of ulcerative colitis (UC), we have developed Al-based
  computer vision models to quantify disease severity more objectively.
- Alzheimer's disease: We are exploring the power of app-based technology to detect subtle changes in speech patterns, cognition and executive functioning to help identify individuals at the earliest stages of AD and more accurately track disease progression. As we prepare for an upcoming clinical trial slated for 2024, these approaches could enhance our ability to identify suitable participants and monitor the efficacy of potential treatments.
- Oncology: With external collaborators, we are developing algorithms
  to better quantify tumor burden across several types of cancer and
  measure the effects of treatment more accurately and rapidly. We
  are also developing Al-based models from ultra-high-resolution digital
  pathology slides to evaluate the tumor microenvironment automatically
  and quantitatively and better inform care decisions in the clinic.

#### **Deploying next-generation digital tools**

Landmark cross industry collaborations, led by UK Biobank and supported by J&J, are providing researchers with access to an unprecedented volume and depth of data to better understand the roles that genes and proteins play in disease. Two significant milestones in 2023 included a new dataset from the UK Biobank Pharma Proteomics Project (UKB-PPP) and the release of the final tranche of Whole Genome Sequencing of all half a million UK Biobank participants. These collaborations have helped unearth new possibilities for scientific research that could transform our understanding of complex diseases and how to treat them. Additionally, UK Biobank, with philanthropic contributions from J&J and other pharmaceutical companies, has launched a new fund to cover application fees for institute-affiliated researchers based in LMICs interested in accessing UK Biobank's biomedical database to advance scientific discovery.

#### Helping medicines reach the right patients

Engagement.ai is a strategic, Al-driven analytics platform developed by J&J Innovative Medicine that uses extensive real-world healthcare data and interactions with customers to help advance the availability of our medicines and benefit more patients worldwide. Throughout 2023, the platform continued to expand to new countries and brands, with 6,500 field personnel using Engagement.ai to drive 7.5 million interactions with 300,000 HCPs across 14 major markets. These tailored insights are helping to inform HCPs as they consider treatment strategies for their patients, often much earlier in the patient treatment journey.

#### Al for anatomical renderings of the heart

Intracardiac echocardiography is a useful but operator-dependent tool for left atrial anatomical rendering during <u>AFib</u> ablation procedures. The CARTOSOUND FAM Module utilizes an Al-based imaging algorithm to overcome manual limitations by auto-generating the anatomy of the left atrium. This Module, part of the CARTO 3 System, can decrease the need for manual contouring, and can help electrophysiologists deliver more effective and efficient procedures and generate case data that may help further improve patient outcomes. Integrating the technology offers potential to streamline ablations used to treat AFib.

#### **Driving precision surgery**

Even the smallest individual differences in patient anatomy can change the ideal approach for surgery. In the case of total knee replacement, complementing expert surgeon technique with additional guidance and insights can help improve implant placements. J&J MedTech's VELYS Enabling Technology Platform reveals real-time insights to empower patient-specific decisions with the goal to improve outcomes and deliver personalization at scale. For the VELYS Robotic-Assisted Solution for Total Knee Arthroplasty, the CT-free technology enables precise ATTUNE knee implant placement for each patient, equipping surgeons with the data needed to preserve the soft tissue envelope, predict joint stability and work toward returning knee function. With the CE mark obtained in 2023 and approval for use in 18 markets globally, more than 43,000 total knee replacement procedures have been performed using the system.

#### Guiding robotics to help diagnose lung cancer

Globally, there are more than 1.8 million lung cancer deaths per year, largely driven by late diagnosis.<sup>27</sup> Early biopsy and diagnosis contribute to a higher lung cancer survival rate, but a majority of early-stage lung cancer lesions are difficult to access because they are deep in the lung. J&J MedTech's MONARCH Platform for robotic-assisted bronchoscopy enables physicians to examine areas of the lung that are more difficult to access with conventional bronchoscopes, which can help support earlier lung cancer diagnosis. The flexible robotics system uses preoperative CT scans of the lungs to inform the procedure, but tracking objects in such a dynamic environment in real time can be complex. The Monarch R&D team uses AI and ML algorithms to develop and refine the Monarch Platform's navigation, which helps physicians guide the bronchoscope during lung biopsy procedures and allows them to locate and biopsy a potential tumor more accurately.

#### Harnessing the power of AI in orthopaedics

We are empowering physicians with simplified surgical experiences though our VIRTUGUIDE AI Patient Matched Platform, which entered limited release in 2023 and automates patient analysis and correction to treat bone deformities of the foot and ankle. VIRTUGUIDE AI-powered software reduces the surgeon planning period from multiple weeks to a matter of days, enabling simpler procedures and fewer instruments.





# Our employees

"As an innovative healthcare and technology company, we are also focused on being a caring, learning and inclusive organization that empowers every employee to profoundly impact health for humanity. Our ability to deliver the breakthroughs of tomorrow is only possible with the dedication of our people around the world who live the values of Our Credo every day."

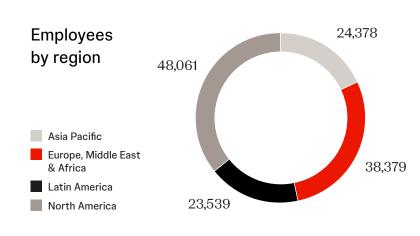
**Peter Fasolo Ph.D.,** Executive Vice President, Chief Human Resources Officer, Johnson & Johnson

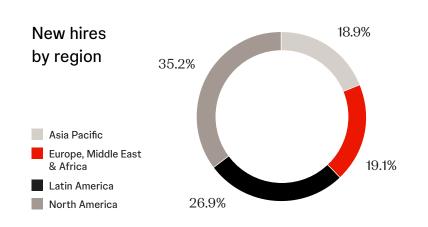


# **Employee attraction & development**

Attracting, developing, retaining and inspiring talented people is crucial to all aspects of our business. We promote a culture of respect, inclusion and excellence, inspired by Our Credo, so that every individual at J&J can contribute to our shared success for our patients, our customers, our company and each other.

In 2023, our direct global workforce included approximately 134,400 individuals. This includes approximately 18,200 new hires across our different regions, of whom 51% were women.





#### **Employee attraction**

Our recruitment efforts include outreach through a wide range of channels and partners to encourage a diverse representation of top qualified candidates. Employee referrals again generated a significant proportion of our hiring efforts, demonstrating employee confidence in J&J as an attractive workplace.

Re-Ignite is J&J's global career reentry program that offers experienced professionals who have taken a break from their career for 2 or more years the opportunity to return to the workforce with specialized onboarding, networking and development activities. In 2023, we continued to grow Re-Ignite with new hires in Innovative Medicine, MedTech and corporate roles globally, with 135 participants since inception, and introduced new development resources and coaching topics, such as Executive Presence coaching.

In 2023, J&J hired 27 members of the military-connected community through military talent pathways, such as our Military Veteran Leadership Development Program, into a range of leadership, sales and other roles across the company.

We continue to be an employer of choice for the military community with ongoing hiring and development opportunities through our sales and leadership programs and participation in initiatives such as the Department of Defense SkillBridge program, which provides transitioning military service members with civilian work experience during their final 6 months in service. In 2023, we completed our second annual cycle of hiring, during which approximately 90% of SkillBridge interns became J&J full-time employees.



As part of our increasing use of  $\underline{\mathsf{Al}}$  to drive healthcare innovation, we have integrated more than 6,000 digital specialists and data scientists in recent years across our organization, providing these colleagues with varied career paths and the chance to use data science,  $\mathtt{Al}$  and emerging tech for profound impact. Additionally, we are equipping our entire workforce to couple their expertise with an understanding of technology so that employees in all functions can learn to apply technology effectively to advance our mission in healthcare.

#### **Learning and development**

We aim to cultivate a mindset and culture of curiosity through ongoing learning and discovery by transforming the way employees find and gain new experiences and skills, and enabling personalized growth that allows people to shine at the right time in their careers. 

(1) Policies & Positions

Through J&J Learn, our global Al-powered ecosystem that integrates programs across the Enterprise as a single source for all learning and development needs, we deliver a streamlined learning experience that is

average training hours per

employees in the U.S. and Puerto

Rico participated in the tuition

reimbursement program

employee

Learning and development in 2023 by the numbers

\$85 million 27

total spend on employee learning and development

16,700

cumulative leaders participated in our Enterprise Leader Development Program

100%

of employees completed year-end performance reviews

easy to access and enables every employee to incorporate learning into their daily practices while creating the career path that is right for them. J&J Learn includes learning programs, facilitates matching with mentors and provides temporary skill-building opportunities as well as holistic career review and development planning tools.

After a year of J&J Learn deployment, we gained valuable insights into learning approaches and work styles at the corporate level and also at the level of individual employees. All employees using J&J Learn can access personalized work-style reports to understand more about the ways in which they can most effectively advance their own learning and development. Significantly, in J&J Learn, the total number of times that an employee marked a specific skill as "Want to learn" amounted to 240,000 in 2023, demonstrating a strong appetite for learning among our employees.

Top skills marked as "Want to learn"

Problemsolving Managing teams

Process improvement

#### A day of learning

In September 2023, we celebrated an inaugural Global Learning Day, where J&J employees across the globe were invited to dedicate a full day—free of calls and work commitments—to participate in various learning activities and live events powered by J&J Learn to enhance their professional and personal skills. Feedback from recent Our Credo surveys included a clear request from employees for enhanced opportunities to grow and Global Learning Day was in part a response to this request.

Global Learning Day 2023 engaged employees in more than 196,000 hours in 220,000 different J&J Learn sessions on the day and throughout October combined.<sup>28</sup>



"I made sure to sign up for the digital basecamp. I have an interest in technology and I want to keep my digital skills sharp. I also attended a live session focused on Purpose and Career, where employees shared what motivates them at work.

Hearing employees' personal motivation, or why they come to work every day, was the highlight of my day!"

**Joaquin Duato,** Chairman of the Board and Chief Executive Officer, Johnson & Johnson

All activities during Global Learning Day were selected to meet three criteria: on demand, mobile-enabled and available in 11 languages.

Our Executive Committee members recommended specific learning programs. Employees started the day reflecting on their values, interests and career aspirations through three online exercises. The J&J Learn platform algorithm then recommended a custom learning plan across five areas—leadership, business skills, digital upskilling, <u>DEI</u> and well-being—based on the individual's areas of interest.

#### A focus on digital upskilling

Across J&J, there is a keen focus on building digital capabilities. Within J&J Learn, the Digital Upskilling Community helps employees prepare to succeed in our dynamic digital environment. Specifically, after building new knowledge or skills with J&J Learn, employees can engage with real-world scenarios where they can put their skills into practice in their roles at work.

On J&J Global Learning Day, employees prioritized digital and tech topics, with more than 6,700 completions of Gen Al courses alone.





# Diversity, equity & inclusion

Rooted in Our Credo, the values of diversity, equity and inclusion fuel our pursuit to create a healthier, more equitable world. Our diverse workforce and culture of belonging accelerate innovation to help solve the world's most pressing healthcare challenges.

#### Our DEI definition: we all belong

#### **Our DEI vision:**

Be yourself, change the world.

#### Our DEI mission:

Make diversity, equity & inclusion how we work every day.

At J&J, DEI is a business imperative. We deliver our DEI vision and mission through our DEI strategy that is focused on four areas:

- Build a workforce of individuals with diverse backgrounds, cultures, abilities and perspectives.
- Accelerate our global culture of inclusion where every individual belongs.
- Transform talent and business processes to achieve equitable opportunities for all.
- Drive innovation and growth with our business to serve diverse markets around the world. (i) Policies & Positions

The annual Our Credo survey serves as a significant indicator of employee satisfaction and measures important aspects of our culture. A subset of responses from the Our Credo survey is aggregated to form the Inclusion Index—a measure of how our people leaders are delivering a culture of inclusion. Our Credo Survey results in 2023 confirmed that DEI values are embedded across J&J:

- 85% of employees agreed that "J&J provides an inclusive work environment where each employee is considered as an individual."
- 86% of employees agreed that "My workgroup has a climate in which diverse perspectives are valued."

In 2023, we reevaluated our Health for Humanity aspirational diversity goals following the separation of our consumer health business and corresponding reduction of approximately 15% of our workforce. Given the change to our employee total, rather than evaluate our progress of Black/African Americans in Management as a percentage of growth, we have restated this aspirational goal as a percentage of our workforce, which is aligned to how we measure our other aspirational diversity goals. This method helps normalize hiring, turnover, and acquisitions/divestitures and is also consistent with industry best practice.



"We have a responsibility to drive positive change within J&J and around the world. We continuously evolve our strategies to address market demands and be globally relevant while always maintaining our commitment to equity."

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

# Health for Humanity goals Women in Management

**Our aspirational goal:** By 2025, achieve 50% of women in management positions globally.

**Our results:** As of the end of 2023, 49% of management positions globally were held by women.<sup>29</sup>

#### On track



#### Black/African Americans in Management

**Our aspirational goal:** By 2025, achieve 6.8% representation of Black and African American employees in management positions in the U.S.<sup>30</sup>

**Our results:** As of the end of 2023, 6.5% of management positions globally were held by Black and African American employees.

#### On track



In 2022, we achieved 36% ethnic/racial diversity in management positions within the U.S. In 2023, we improved our results by achieving 36.4% ethnic/racial diversity in management positions.<sup>29</sup>

- 29 Management positions are defined as all positions M1+ across Johnson & Johnson business sectors and functional groups.
- 30 Target has been updated to reflect population representation.



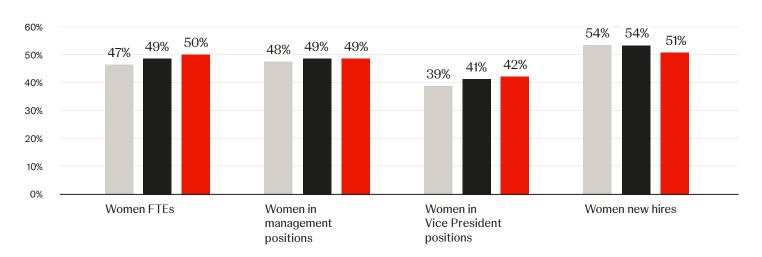
Highlights of our progress in advancing DEI in 2023 include:

- Launching Conscious Inclusion training for leaders and individual
  contributors as an enterprise-wide effort to heighten skills in recognizing and mitigating unconscious bias. More than 90,000 employees
  completed the training, with the remainder planned for 2024.
- Leveraging the J&J Learn platform to engage employees in DEI through a dedicated DEI Learning Channel, which offers a comprehensive catalog of digital learning opportunities to enhance DEI skills and knowledge within J&J. More than 16,000 employees have subscribed to this channel.
- Expanding activity of our 12 Employee Resource Groups (ERGs)
  engaging 24,800 colleagues across 512 chapters around the world
  in taking action to help drive better outcomes for our employees, our
  patients, our communities and our business, leveraging diverse insights
  and experience.
- Driving initiatives for veterans to make our workplace more
  accessible and help them transition to civilian life. This included
  hosting the U.S. Chamber of Commerce's Hiring Our Heroes industrywide roundtable discussion, bringing together leaders across sectors
  to explore how best to enhance military-connected talent pathways
  in the healthcare industry—the first time an industry-specific lens was
  applied to a working discussion on this topic.
- Advancing our Access-Ability disability recruitment and support
  program to provide an inclusive and enabling environment for people
  with diverse abilities to join our team and thrive at J&J. We started with
  a focus on attracting, hiring and retaining qualified people with disabilities in temporary roles, and have now extended support models and are
  also integrating full-time opportunities as well. More than 50 individuals
  with diverse abilities were hired through the program in 2023.

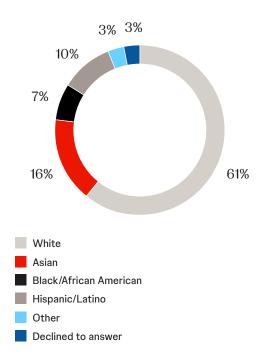
See other sections in this Report relating to how we are advancing DEI in our markets and our innovation (Our Race to Health Equity, Research for healthier outcomes, Responsible supply base). Our most recently filed U.S. Federal Employer Information Report EEO-1 is also publicly available.<sup>31</sup>

Our fifth annual We All Belong: DEI Impact Review shares insights into how we have brought our DEI strategy to life across the organization in 2023. Learn more →

#### Gender representation



#### Ethnic/racial diversity in the U.S.



#### DEI in 2023 by the numbers

42% of our Vice Presidents globally

of our Vice Presidents globally are women

of our workforce is over the age of 50

36% of our U.S. workforce identifies as ethnically or racially diverse 51%

of new hires were women

2021 2022 2023

37%

of our Directors and Managers in the U.S. identify as ethnically or racially diverse

24,800

employees engaged in Employee Resource Groups (ERGs)



<sup>31</sup> Federal reporting obligations require specific employee categorization that differs from the way we measure our diversity progress, as reflected in our Health for Humanity Report, and is, therefore, not directly comparable.

# **Employee engagement**

Across Johnson & Johnson, employees find inspiration in Our Purpose to change health for humanity. We provide platforms, tools and resources 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 and demonstrate care for our communities and our planet.

#### Celebrating a new era for J&J

In September 2023, we brought our employees together, in person and virtually, to share our enthusiasm for a new era of J&J and reinforce J&J as a company uniquely positioned across the spectrum of healthcare to tackle the world's toughest health challenges. On J&J Day, we activated hundreds of events at the corporate, regional and local levels to engage employees in understanding our refreshed purpose, new branding and healthcare focus as we embark together in this next chapter of our Company. From a global J&J Day webcast featuring all our senior leaders, to a new J&J logo reveal, to local team activities to engage employees in the new J&J experience all around the world, J&J Day was successful in bringing the spirit of a new J&J to life while reinforcing our legacy and Our Credo-based culture.

#### Listening to our employees

This year, we combined our annual surveys, one that tracked employee sentiment and alignment with Our Credo values in one year, and the other that measured employee satisfaction in the alternate year. Starting in 2023, we created a simplified questionnaire, called Our Credo survey, with 42 questions, including two open-ended questions, in place of the total 80 questions of both prior surveys. This Our Credo survey also includes, for the first time, the opportunity for employees in most countries to receive an opt-in, confidential and personalized fulfillment report designed to increase self-awareness about levels of happiness at work with development suggestions

linked to our learning platform, J&J Learn. The survey was administered in 76 countries and made available in 36 languages.

Following an analysis of the detailed results, which were communicated to all employees, we developed plans to address the main areas of opportunity identified by our employee feedback, both at the Enterprise level and in regional, national and local teams.

#### Our Credo Survey 2023: key results

participation rate among all eligible employees

agreed with the statement, "Ensures our first responsibility is to the patients, doctors and nurses, mothers and fathers, and all others who use our products and services"

agreed with the statement, "Provides an inclusive work environment where each employee is considered as an individual'

Our Credo Index, which reflects how we are fulfilling Our Credo commitments to employees, based on 14 Our Credorelated questions

agreed with the statement, "Supports the health and wellbeing of employees"

86%

agreed with the statement, "I would recommend J&J as a great place to work"

#### Recognizing employees

In addition to several 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. Again in 2023, hundreds of thousands of recognition moments celebrated meaningful contributions and purpose led behaviors among our employees. Our investment in recognition also had a direct impact to our business. In 2023, we saw positive trends in employee and new-hire retention, with a reduction in turnover when an employee receives at least one award per year. Looking ahead, we will continue to look for opportunities to reinforce the intersection between employee recognition, gratitude and overall well-being.

#### Women in STEM

We believe women can be catalysts for creating healthier people, healthier communities and a healthier world, and we encourage women and young girls to consider science, technology, engineering, mathematics, manufacturing and design (STEM<sup>2</sup>D) studies and career opportunities. Advancing gender equality in technical professions both strengthens society and also builds a stronger pipeline of diverse talent in under-resourced STEM<sup>2</sup>D-related professions, critical to advancing innovation in healthcare.

Our WiSTEM<sup>2</sup>D initiative supports youth, undergraduates, scholars and professionals.

Since 2021, through our WiSTEM<sup>2</sup>D program, we have reached more than 800,000 young women and girls in STEM<sup>2</sup>D activities.

Through our WiSTEM<sup>2</sup>D Youth Pillar, we seek to spark enchantment with STEM<sup>2</sup>D in young women and girls all around the globe through creative problem-solving and play. In 2023, more than 327,000 girls engaged with J&J sponsored content or programs. Through the hard work and dedication of more than 3,400 J&J volunteers and in conjunction with our nonprofit partners, the WiSTEM2D Youth Pillar hosted 360 events and led more than 270 activities in 34 countries.

In our WiSTEM<sup>2</sup>D Professional program, our aim is to achieve 50% female representation in STEM<sup>2</sup>D fields by focusing on recruitment, retention and development. In 2023, we progressed a number of initiatives, including:

- holding a Professional Day with more than 1,100 attendees to create a forum addressing soft and hard skills;
- hosting quarterly mentoring circles with more than 300 colleagues per covering topics such as men allyship and winning leadership traits; and
- organizing community service events with Habitat for Humanity and Moms Helping Moms to provide opportunities to contribute to our communities while building relationships and networking opportunities across our teams of volunteers.

#### **Engaging employees for healthy communities**

Our Talent for Good strategy inspires our employees to help create healthy communities across the globe. Talent for Good offers a wide variety of engagement opportunities, inviting employees to take part at their preferred level of participation in a focus area of their interest. Many of our Talent for Good programs build on longstanding collaborations with organizations that have a wide reach within our communities and help create meaningful volunteering opportunities for J&J employees to maximize our impact and deliver tangible social benefit. In 2023, the total value that our employees delivered to community partners is estimated at \$4.7 million.<sup>32</sup>

An overview of programs and progress in 2023 includes:

- Bridge to Employment engages employees as mentors to help secondary school students improve academic performance and elevate their career aspirations. The extension program, Pathway to Success, helps students succeed and thrive in higher education, providing additional support and internships at J&J.
- J&J Changemaker Program engages early-career professionals to grow personally and professionally by applying their expertise to build healthier communities around the world.
- Talent for Healthy Communities is a pro bono program that connects
  the unique talent and expertise of J&J employees to local Community
  Partners to address their critical capacity-building needs. Over the
  course of 12 weeks, employees work on projects focused on the areas
  of health equity, health access, health systems improvement and
  other social determinants of health.
- Global Pro Bono engages employees in teams with selected partner organizations working on the front lines of health to support them over the course of 3 weeks and build organizational capacity.

#### Talent for Good in 2023 by the numbers

Bridge to Employment

324

employees volunteered

4,805

hours mentoring

614

students worldwide

\$74,000

was provided by J&J in scholarships to 53 graduates

48

Pathway to Success students were coached with 9 summer internships provided to participants J&J Changemaker Program

58 employees from

...,...,....

**27** 

countries volunteered

232

skill-based hours with

4

community organizations and packed 15,000 meals to support global hunger

Global Pro Bono

54

employees from all our four geographic regions engaged with

+000,8

in-kind donated hours with

17

community organizations

Talent for Healthy Communities

>200

employees from

21

countries supported

>11,000

in-kind donated hours with

36

community organizations

Global Secondment Program

23

employees volunteered with

6,000

in-kind donated hours with

15

community organizations

 Global Secondment Program enables and empowers employees to support partner organizations on the front lines of healthcare to raise public health standards in communities around the globe by sharing their knowledge, skills and passions over a 4- to 6-month time frame.

#### **Engaging employees for a healthy planet**

Our commitment to sustainability is brought to life by engaged and knowledgeable employees who have a role in shaping the future of our Company. We support and inspire employee learning and collaboration through dedicated environmental sustainability programs. Examples of new and continuing programs in 2023 include:

- WeSustain brings together employees across countries and roles
  who are interested in taking action for the planet. WeSustain teams
  coordinated local educational events, engaged with youth organizations, organized employee clean-up events in cities, beaches and parks
  and planted trees and pollinator gardens. WeSustain ambassadors
  also examined their own jobs and assessed how they might further
  influence sustainable practices in their work and at their location.
- **Healthy Planet** is our virtual platform where employees are encouraged to learn, take action and share ideas about sustainability, all in a gamified environment.
- Learning and development platforms are available to employees in various forums. In addition to the existing "Sustainability & My Job" training, available to all employees, in 2023, sustainability was incorporated into the curriculum for the Finance Leadership Development program for early-career employees and into the Supply Chain Leadership Program for managers. A Sustainability Channel was also built on the J&J Learn platform, allowing us to expand the reach and variety of educational materials available to employees.

Employee engagement for a healthy planet in 2023 by the numbers

65

active WeSustain teams in 30 countries

24,000

actions completed by Healthy Planet users to protect the environment

<sup>32</sup> Based on Taproot and Chief Executives for Corporate Purpose, (CECP) calculations on the actual financial impact of an hour of skilled volunteering. Taproot, "What Is Skills-Based Volunteering?," <a href="https://taprootfoundation.org/what-is-skills-based-volunteering">https://taprootfoundation.org/what-is-skills-based-volunteering</a>, accessed March 2024. Calculation does not include employee training and project preparation time.

# Employee health, safety & well-being

We know that our success is only possible when our employees are supported to bring their whole selves to work every day. We encourage employees to prioritize total health because we know it lies at the heart of their personal and professional success.

We aim to ensure that all our employees around the world, as well as temporary contractors and visitors to our sites, can work safely. Our workplace health and safety programs include adherence to our robust global safety standards, risk assessments, extensive training and communications. Our approach is enabled by a robust portfolio of benefits and resources to meet the wide-ranging and individual needs of our diverse workforce. We continuously evaluate our health and well-being benefits throughout J&J globally, incorporating new thinking and technologies to help employees achieve their personal mind and body health goals.

#### Assuring workplace safety culture and practice

J&J applies a global, integrated Environmental Health & Safety (EH&S) approach to ensure the safety and cleanliness of our sites worldwide. Actions to improve safe working practices and safety risk management in 2023 included:

- Initiating a Human and Organizational Performance (HOP) approach
  to safety management. HOP is a methodology for understanding how
  people interact with their work environment, including processes and
  procedures, to identify and mitigate potential opportunities for human
  error that could lead to safety risks. In 2023, HOP was introduced in
  15 J&J locations across EMEA, the U.S. and APAC.
- Launching ePermit to Work (ePtW), a digitized solution to manage and ensure safe control of potential high-risk work activities. At J&J, high-risk work activities, which could include height, confined space entry or electrical work, are subject to comprehensive risk assessments to identify potential hazards and ensure appropriate controls are in place. Our ePtW software includes applications such as permit requesting, work-flow approval, and risk assessment and tracking to enhance workplace safety, ensure regulatory compliance, reduce paperwork and improve communication. Our aim with ePtW software is to support the safety of our workforce while also increasing efficiency and effectiveness.

91% of responding employees agreed with the statement: "J&J maintains working conditions that are clean, orderly and safe" in the 2023 Our Credo survey.

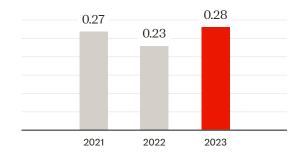
#### Promoting health and well-being

J&J empowers our employees to care for their total health and well-being—physical, mental, emotional and financial—and we are continuously examining and improving our offerings to provide the right choice of resources to meet employee needs and provide support in the moments that matter. We provide many opportunities for learning and education related to health and well-being. In 2023, nearly 15,000 employees completed well-being learning courses, reinforcing wellbeing as a core, fundamental skillset among our workforce.

88% of responding employees agreed with the statement: "J&J supports the health and well-being of employees" in the 2023 Our Credo survey.

In 2023, we launched the J&J and YOU framework and the My Benefits and Well-Being internal portal, which integrates all our benefits and rewards in a single platform. This has made it easier for employees and people leaders to learn about well-being programs and benefits. As part of the J&J and YOU framework, we introduced enhancements to benefits and advanced opportunities for employees to participate in well-being programs. These included:

#### Total recordable injury rate



#### New and enhanced global paid leave benefits:

- Caregiver Leave: 10 days annually to care for an immediate family member with critical illness or injury;
- Bereavement Leave: 30 days annually to heal from the loss of an immediate family member and 5 days for other family members;
- Volunteer Leave: 4 days per calendar year to give your time to volunteer in the community with a qualifying organization or event.

#### Additional services and resources to support mental health:

- enhanced the Employee Assistance Program (EAP) and CARE Services (Confidential, Accessible, Responsive and Engaged) by adding digitally enabled, personalized access with new resources for U.S. employees including support from a Care Navigator, and up to six no-cost coaching and therapy sessions;
- coordinated a week of activities in support of World Mental Health
  Day that focused on continuing to reduce the stigma around mental
  health, fostering a culture of care and highlighting the positive benefits
  of gratitude, recognition and self-compassion to boost mental well-being every day of the year.

#### **Enhanced global well-being reimbursement:**

 increased annual reimbursement to \$500 and expanded eligible reimbursements to include healthy eating, healthy movement and healthy mind.

In 2023, we hosted our annual Global Activity Challenge for the eighth consecutive year, in which more than 28,400 participants in 69 markets leveraged the power of music to become healthier versions of themselves.



# Environmental health

"Johnson & Johnson's relentless focus on solving the world's toughest health challenges inspires our commitment to environmental stewardship because human health and environmental health are inextricably linked. From our global, science-based approach to climate action, to our community-based support for health workers and clinics on the front lines of climate change, we put the patient and the planet at the center of our sustainability efforts."

Paulette Frank, Chief Sustainability Officer, Johnson & Johnson



# Climate action

To support a healthy environment, we focus our efforts on four key areas: decarbonizing our operations and value chain, delivering more sustainable products and solutions, advancing environmental health equity and empowering our employees to lead the way on sustainability.

#### Decarbonizing our operations and value chain

In 2023, we submitted new climate goals to the Science Based Targets initiative (SBTi) to reflect J&J's new environmental footprint following the creation of Kenvue as a separate company. These goals, which were validated by SBTi as being aligned with climate science, build on our past efforts to reach 100% renewable electricity and reduce GHG emissions in our global operations while also engaging key suppliers on their own decarbonization efforts. We continue to make progress in all of these areas.

Since 2021, our absolute Scope 1 & Scope 2 GHG emissions have reduced 23% (absolute reduction), from 574,165 MT  $\rm CO_2e$  in 2021 to 442,880 MT  $\rm CO_2e$  in 2023.



Johnson & Johnson received an A- score in 2023 for leadership in environmental transparency and climate change performance.

#### Increasing use of renewable electricity

We are making meaningful progress in sourcing renewable electricity across our operations around the world, with 87% of our global electricity sourced from renewables. We currently maintain 44 on-site renewable energy systems in 20 countries, and we have executed 14 contracts for off-site renewable electricity procurement. Our use of renewable electricity is a significant factor in reducing our operational emissions.

Renewable electricity across our operations (as of the end of 2023)<sup>33</sup>

87%

100%

100%

Europe

Global

U.S. and Canada

In 2023, two virtual power purchase agreements (PPAs) came on line in Europe in the form of a new wind farm and a new solar field in Spain. When added to existing on-site and off-site renewable electricity projects, these PPAs ensure that all our operations in Europe, across 12 countries, are sourcing the equivalent of 100% of their electricity from renewable sources.

# Health for Humanity goals Renewable Electricity

**Our goal:** By 2025, source 100% of our electricity needs from renewable sources.

**Our results:** 87% of electricity is produced or procured from renewable energy sources.

#### On track



#### **GHG Emissions**

**Our goal:** Reduce absolute Scope 1 & 2 GHG emissions 44% by 2030, from a 2021 base year.

**Our results: 23%** (absolute reduction) in Scope 1 & 2 carbon emissions vs. the 2021 baseline.

#### On track



#### Value Chain

**Our goal:** 80% of J&J suppliers by emissions covering Purchased Goods and Services and Upstream Transportation and Distribution will have science-based targets by 2028.

**Our results:** In 2023, **28**% of our suppliers by emissions covering Purchased Goods and Services and Upstream Transportation and Distribution had approved science-based targets.

#### On track





<sup>33</sup> This data is the percentage of electricity used by Johnson & Johnson that is generated from renewable sources, including on-site and off-site renewable systems, like direct PPAs, virtual PPAs, Utility Green Tariffs and Energy Attribute Certificates. Europe includes Belgium, France, Germany, Greece, Ireland, Italy, the Netherlands, Poland, Spain, Sweden, Switzerland and the UK. North America includes the U.S. and Canada only. U.S. does not include Puerto Rico.

#### **Reducing operational GHG emissions**

We continue to invest in energy-efficient processes and equipment and decarbonization efforts at our sites. Since 2005, we have allocated up to \$40 million per year in capital relief through our CO<sub>2</sub> Capital Relief Program for energy projects that demonstrate potential CO<sub>2</sub> savings and a financial return. Examples of completed projects in 2023 include a solar project at the Ethicon San Lorenzo, Puerto Rico, manufacturing facility, reducing the site's GHG emissions. Our geothermal plant in Beerse (see below) also benefited from our CO<sub>2</sub> Capital Relief Program.

CO<sub>2</sub> Capital Relief Program (2005 – 2023)<sup>34</sup>

annual energy cost savings

205 projects completed

2,016 TJ

annual energy savings

\$387 million

total spent on completed projects

264,710 MT CO<sub>2</sub>

annual GHG emissions avoided

#### Inaugurating our deep geothermal plant in Belgium

In 2023, we celebrated the inauguration of our deep geothermal energy plant at the J&J Innovative Medicine Campus in Beerse, Belgium. This is a state-of-the-art plant and the first of its kind in Belgium on an industrial and private scale. It is equipped with the latest geothermal technology, which ensures efficient and reliable energy production, reducing J&J Innovative Medicine's CO<sub>2</sub> emissions in Belgium by approximately 30%. In addition to funding from J&J's CO<sub>2</sub> Capital Relief Program, the project received financial support from Flanders (Flemish Energy and Climate Agency and the Flemish Innovation and Entrepreneurship Agency), as well as from the European Regional Development Fund.

Learn more  $\rightarrow$ 

#### On-site generated energy use by 15 5 type (TJ) Co-generation 139 Wind Solar PV 328 Geothermal



#### Environmental certifications at our sites in 2023

6

Biomass

J&J sites in the U.S., Panama and Italy received Leadership in Energy & Environmental Design (LEED) certification bringing the total number of J&J sites that are certified as LEED or equivalent to 62.35

J&J sites achieved "My Green Lab®" certification for implementing sustainability best practices, including our Innovative Medicine site in Leiden, Netherlands and our DuPuy Synthes site in Cork, Ireland, bringing the total number of certified sites to 4.

Our Innovative Medicine manufacturing site in Xi'an, China achieved a World Economic Forum (WEF) Sustainability Lighthouse designation for implementing digital technologies that resulted in a 26% decrease in GHG emissions and a 23% reduction in energy consumption.

The Sustainability Lighthouse distinction is a part of the WEF Global Lighthouse award for locations showcasing sustainability-focused technology breakthroughs. J&J is privileged to have 8 lighthouses, 2 of which were also awarded with Sustainability designations.



<sup>34</sup> Data in this table refer to J&J Innovative Medicine and MedTech only. Data relating to the former Consumer Health segment are not included.

<sup>35</sup> Includes Building Research Establishment Environmental Assessment Methodology (BREEAM).

#### Addressing upstream emissions

We remain committed to reducing carbon emissions across our extended value chain, and we have implemented several workstreams to help mitigate our Scope 3 emissions. These workstreams include our work to address cutting emissions in our supply chain, logistics and clinical trials.

#### **Engaging suppliers in climate action**

This includes engaging our key suppliers in climate action across our global supply base, which is critical to reducing our Scope 3 GHG emissions. We continued to make advancements on our upstream Scope 3 strategy, including:

- Driving reductions: As part of our ongoing work with Manufacture 2030, we collaborate with industry peers to engage <u>API</u> suppliers through the Activate program and also engage external manufacturers to align with science-based decarbonization targets, drive more sustainable procurement and identify opportunities for operational and resource efficiency.
- Improving data quality: We are collecting more detailed sources
  of emissions data for our supply base, as well as using our data
  science capabilities to visualize CDP Supply Chain data that show the
  maturity level of our largest-emitting suppliers, including their goals,
  emissions footprint and reductions, to support more targeted supplier
  engagement.
- Building capacity: Through our Onward Program, we help educate suppliers on the business reasons for setting science-based climate goals. Through the Energize program, we are collaborating with peer companies to provide training and resources to support renewable energy adoption for pharmaceutical suppliers. Through the Pharmaceutical Supply Chain Initiative (PSCI), our suppliers have access to climate-related training (see sections: Responsible supply base, Engaging employees for a healthy planet).

#### Reducing logistics emissions

We continue to identify opportunities to reduce emissions from our transportation and logistics operations. This includes transitioning some of our product shipments to lower-emitting modes of travel. For example, in 2023, J&J MedTech implemented a pilot for shipments from a distribution center in Belgium to China by rail instead of air to reduce emissions from air travel.

#### **Cutting emissions in clinical trials**

In 2023, we completed lifecycle analyses on eight clinical trials spanning different therapeutic areas, allowing us to identify key activities that drive the majority of carbon emissions in our trials. This information could help us design lower-carbon clinical trials in the future by introducing targeted actions, such as minimizing drug waste in clinical trials, reducing the footprint of central lab sample logistics, and decreasing the travel of both research participants and operational staff.

We continued to participate in coalitions to accelerate our own progress, as well as the overall decarbonization of healthcare, including:

- · Clean Energy Buyers Association
- The National Academy of Medicine's Action Collaborative on Decarbonizing the U.S. Health Sector
- The Sustainable Healthcare Coalition (UK)
- WWF Climate Business Network

We also engage to address the impacts of health inequities exacerbated by climate change (see section: Addressing the impacts of climate change on health equity).

Additionally, for decades, we have maintained a robust environmental management system and mature programs to reduce the environmental footprint of our sites and to manage our work across multiple environmental impact areas, including water stewardship, waste management and biodiversity. 

(1) Policies & Positions





# Product sustainability

We are committed to delivering high-quality products for patients and customers, while also working to improve our environmental footprint. We focus our efforts where we can have a positive impact in the near term and long term, including packaging, product end-of-life and green chemistry.

### Improving packaging sustainability

Across our diverse portfolio, we continue to improve the sustainability of our product packaging. For example, in 2023, we:

- continued to expand the use of fiber-based pulp injection molding (PIM) in the secondary packaging of our immunology self-injectable devices. At the end of 2023, approximately 30% of our currently launched self-injectable device product lines used PIM trays. PIM trays can be disposed of through regular cardboard recycling waste streams in most countries;
- launched new Ethicon procedure kits in the EMEA region. This
  reduced packing weight by 38%, packaging components by 50% and
  integrated 20% post-consumer recycled (PCR) materials into the
  carton on average, as compared to previous kits;
- continued to transition eligible J&J MedTech products away from paper Instructions for Use (IFUs) to digital ones. Since 2019, within Ethicon alone, 60 metric tons of paper waste was avoided by not using paper IFUs.

### Product end-of-life and circularity

We know that the products we create may continue to have environmental impacts after use, and we strive to offer product endof-life recycling and circular solutions. In 2023, we expanded several initiatives, including:

Surgical device recycling: J&J MedTech's hospital recycling program
for single-use medical devices expanded to a total of 11 countries in
Europe and New Zealand. The program allows hospitals to recycle
specific metal and plastic components from certain J&J MedTech
single-use instruments.

- Pharmaceutical device take-back: The Safe Returns program for Innovative Medicine expanded from the U.S. and Switzerland to include Norway, allowing patients to return self-injectable devices. Additionally, we have invested in a new facility in Europe that, when operational, is expected to allow us to disassemble collected devices and recycle select materials.
- Tacking digital health waste: We continued to coordinate the
  Digital Health in a Circular Economy (DiCE) initiative, a multiyear
  collaboration of various companies and organizations. In 2023, DiCE
  developed a comprehensive circularity framework tailored to digital
  health devices, along with strategies aimed at incentivizing end users
  to return devices.
- Reprocessing medical devices: J&J MedTech continued to offer reprocessed single-use medical devices in parts of our portfolio in the U.S. and Canada. We also reprocess products from other original manufacturers in these markets.

### **Green chemistry**

We continue to integrate principles of green chemistry and technology into the development of our medicines. For example, we recently adopted biocatalysis in enzymatic processes for two products close to commercialization, helping to reduce the environmental impact of our <u>API</u> manufacturing processes.

### Product Lifecycle Assessment (LCA)

Pharmaceutical Environment Group, we collaborated with
The Sustainable Markets Initiative Health Systems Task Force and
National Health Services (NHS) England to support the development
of a sector-wide standard for medicines LCAs.



### Pharmaceuticals in the environment (PIE)

We play an important role in supporting initiatives to proactively assess and mitigate potential impact of pharmaceuticals in the environment. We have a mature and robust program for managing PIE. ① Policies & Positions



# Accountability & innovation

"At Johnson & Johnson, our vision for a sustainable future is one in which healthy lives and a healthy planet are within reach of all people. All of us can, and should, play a role in shaping this future. With the commitment and personal accountability of our employees globally, as well as the incredible expertise and creativity they bring to our organization, we are excited about the opportunities that lie ahead."

Kathryn E. Wengel, Executive Vice President, Chief Technical Operations & Risk Officer, Johnson & Johnson



# Supply chain innovation

Throughout our global operations and supply chain, we deploy the most advanced digital technologies to bring our products and treatments to patients to modernize healthcare and enable better health outcomes. Our numerous technology-driven innovations also advance sustainability by facilitating environmental efficiencies.

Leveraging technology and real-time data, our smart supply chain helps provide patients and customers with the right products at the right time, anywhere in the world. Examples of progress in 2023 include:

### Supply chain resilience

In 2023, we improved end-to-end visibility into vulnerabilities across J&J's critical product portfolio with the introduction of a Resilience Dashboard. In near real time, the Dashboard systematically and dynamically analyzes a multitude of risks across the value chain to uncover and elevate new risk insights that in isolation may not be seen, and then executes an optimal response. The Dashboard's data allows J&J to elevate supply chain resilience into the strategic decision-making process and deliver confident, quantifiable decisions that reduce disruptions, drive growth and build trust with patients and customers. In 2023, the Dashboard was deployed across all critical products in our Innovative Medicine supply chain and is being continually improved to support resilience in new product introductions and products across all stages of their lifecycle.

### Leading global supply chain technology

We are early adopters of the Fourth Industrial Revolution (4IR) across our organization. 4IR means deploying digital technologies to make bigger and faster leaps forward in productivity, efficiency, sustainability and enhanced customer service. This approach is recognized by the World Economic Forum (WEF) Global Lighthouse Network that identifies leadership in 4IR technology deployment to transform factories, value chains and business models. In 2023, our Innovative Medicine plant in Xi'an, China, earned Lighthouse status twice: once for incorporating 4IR technologies into daily manufacturing and supply chain operation, and once for using 4IR to advance its sustainability efforts. Xi'an is the first pharmaceutical plant in China, and in all of Asia, to earn a Lighthouse designation.



"We take great pride in embracing 4IR technologies across our entire supply chain, and Xi'an is the latest example of how we're leading the way on the manufacturing and sustainability fronts."

Dapo Ajayi, Vice President, Innovative Medicine Supply Chain, Johnson & Johnson

Smart technologies deployed at Xi'an have enabled increased productivity by 40%, reduced product non-conformance rates by 60% and operating costs by 24%, and contributed to a reduction in GHG emissions by 26% in the last 3 years.

### Personalizing the CAR-T supply chain

Innovative Medicine's CAR-T therapy, CARVYKTI (ciltacabtagene autoleucel) requires a new manufacturing and delivery model—a "personalized supply chain"—to reach patients with multiple myeloma cancer. The therapy involves collecting a patient's T-cells at a treatment site, transporting the cells to a lab, modifying the T-cells to recognize and target the cancer, transporting the cells to a treatment site (hospital), and re-infusing the modified cells back into the patient to attack the cancer cells. To support the availability of this new drug, we developed a digital ecosystem that provides an end-to-end, vein-to-vein, well-orchestrated and error-free process. A key element in this digital ecosystem is our proprietary CQUENCE Chain of Identity/Chain of Custody electronic platform that ensures the personalized product is linked to the correct patient throughout the treatment cycle and accurately records every point of transfer and control from patient

selection to therapy administration. Ensuring a seamless and secure journey for this cutting-edge CAR-T therapy—from inception to patient administration—is paramount to making it accessible to patients who need it.

### Reducing testing and release time

We continuously pursue ways to enhance reliability, agility and flexibility across our supply chain to meet the evolving needs of our patients and customers. An example of innovation in this area is Real-time Release (RTR), that works by determining the quality of a product immediately following tablet compression, using a combination of real-time data on raw material and process attributes and Process Analytical Technology (PAT) sensors. RTR data enable product quality assurance and consistency across production runs, while also delivering a reduction in overall manufacturing cycle time of up to 40%, as well as shortening testing and the release time of a product from weeks to days. A further benefit of using RTR, in addition to consistent quality and faster availability of products for patients, is an improvement in our environmental impacts, reducing the waste associated with manually testing our products and the associated GHG emissions. We currently employ RTR on several of our drug products and look to expand the use of RTR for new products.

### Connecting the MedTech supply chain

In 2023, we introduced the J&J SupplierHub as a digital front door for the suppliers supporting MedTech. The SupplierHub provides a centralized platform for communication between J&J MedTech and its suppliers, designed to enable a digital collaboration strategy to better manage our growing supplier network, centralize information, reduce process time, improve reliability and strengthen supplier partnerships. A key advantage of the SupplierHub is the visibility it creates across the supply chain, leading to increased predictability of potential supply challenges and enabling reduced supply lead-time variability.

### New state-of-the-art MedTech facility

J&J MedTech finalized plans to build a new facility in Alajuela, Costa Rica, that will have flexibility to manufacture products from across our MedTech portfolio. MedTech Costa Rica will be our most advanced manufacturing site, including integrating a flexible cleanroom with the ability to reconfigure the equipment resulting in less downtime, thereby boosting our capacity to support customer and patient demand.



# Responsible supply base

A critically important link in our value chain, our global supplier network plays a vital role, enabling us to manufacture and deliver essential products and services to our patients and customers. Guided by Our Credo values, we aim to maintain collaborative supplier relationships and work with a broad diversity of suppliers.

38,500

\$31.2 billion

suppliers globally

total supplier spend36



"At Johnson & Johnson, we believe that Credo-centered supplier relationships amplify our impact on patient outcomes. Through our shared commitment to addressing economic, social and environmental challenges, we can

advance health for humanity."

Shashi Mandapaty, Chief Procurement Officer, Johnson & Johnson

### Supplier sustainability

Three core frameworks underscore our interactions with suppliers, what we expect of them and how we support them: Responsibility Standards for Suppliers; our Supplier Sustainability Program (SSP); and our Global Supplier Diversity & Inclusion Program.

Through our SSP, we monitor, engage and collaborate with suppliers on environmental, social and ethical obligations. In 2023, J&J first-tier suppliers were monitored using a tech-enabled risk-screening tool to evaluate risk across a range of potential human rights and environmental metrics. Selected suppliers completed an assessment by EcoVadis, a provider of sustainability ratings for global supply chains, and our highest GHG-emitting suppliers were requested to publicly disclose their environmental performance to CDP.

In 2023, J&J completed more than 150 supplier EH&S audits and technical visits. Fewer suppliers than in previous years were identified as high-risk for non-conformance to J&J Responsibility Standards for Suppliers. This was due to strong due diligence processes and mitigating identified critical risks with existing suppliers.

989 J&J suppliers completed EcoVadis assessments in 2023.

Now in its third year, our <u>Onward Sustainability Program</u> was executed in partnership with Rutgers Institute for Corporate Social Innovation, covering a wide range of <u>ESG</u> topics to help our suppliers build capability and take action to improve sustainability performance. Also, in 2023, we engaged across our supply chain to advance environmental sustainability and human rights. For example:

### **Environmental sustainability**

Our work on supply chain emissions reductions continues, expanding our CDP disclosure requests to our high-emitting suppliers and using their responses to segment our supply base and encourage working toward science-based climate targets. We continued our work as a member of Energize and Activate pharmaceutical industry collaboration, pushing the uptake of renewable electricity in our supply base and working with our suppliers on establishing strategies for emissions reductions (see section: Climate action). We strengthened our due diligence in assessing our supply base on several factors, including climate, forest management and water pollution and worked on capability building as part of our Onward Sustainability Program, hosting sessions led by J&J experts on our broad environmental expectations, as well as a session on climate action.

### Human rights in our supply base

We evolved our human rights due diligence program through EcoVadis assessments, environmental and social audits,<sup>37</sup> and deeper engagement with suppliers. We also continued to work with American Express Global Business Travel (AMEX GBT) and ECPAT by creating a training video for business travelers on how to identify potential signs of human trafficking. As a member of the Pharmaceutical Supply Chain Initiative working group, we engage suppliers on human rights risks related to raw materials. We continue to work with other partners to address supply chain human rights risks, including Impactt and Shift.



<sup>36</sup> Represents spend we have control over/addressable spend, defined as products and services that procurement teams can negotiate with suppliers to meet business goals. For details, see our ESG Performance Data and Indices.

<sup>37</sup> Environmental and social audits were conducted onsite using the Sedex SMETA Pillar-4 framework.

# Supplier diversity and inclusion

In 2023, we celebrated 25 years of our supplier diversity program. Our quarter of a century journey is marked by major milestones, including induction into the Billion Dollar Roundtable in 2011, expanding our program outside of the U.S. in 2011 and achieving \$2 billion in Tier 1 diverse spend in 2021.

Our Global Supplier Diversity & Inclusion program provides a platform for to work with supplier partners to meet the diverse needs of our customers and patients who benefit from our products and services. This includes businesses that are owned by people across all groups, including women, minorities, veterans, members of the LGBTQIA+ and disabled communities, social enterprises and small businesses. We continue to realize the value that an inclusive supply base brings to our business, our people and our communities. We have expanded our global footprint driving social and economic impact in 20 markets, including the U.S.

J&J has spent more than \$20 billion with Tier 1 diverse suppliers since our induction in the Billion Dollar Roundtable. For the 13<sup>th</sup> consecutive year, J&J maintained membership in the Billion Dollar Roundtable, a group of companies that advance best practices for supplier diversity and spend at least \$1 billion annually with diverse-owned suppliers.

### **Impact metrics**

A key measure of our progress in supplier diversity is our Global Impact Spend, representing addressable spend with small and diverse suppliers globally and small businesses in the U.S.

This year, we evolved our supplier diversity metrics to measure the impact on communities through our supplier spend with metrics that include economic and social impact outcomes. We partnered with a supplier to conduct a study on J&J's diverse supplier base covering the following sets of metrics:

### **Economic impact**

This includes jobs supported, impact on wages and overall contribution to the economy, enabling us to understand how doing business with diverse and small suppliers impacts the economy.

### Social determinants of health

This includes social, economic and environmental variables that impact physical and mental health. These metrics help us understand the potential impact of J&J's spend in the communities in which our suppliers are located and the impact our spend has on health outcomes.

Global supplier diversity spend and impact in 2023

\$4.9 billion

total Global Impact Spend

U.S. supplier spend and impact

\$3.9 billion

total U.S. spend with Tier 1 diverse and small businesses

45,000+

small and diverse suppliers in the U.S.

Cumulative economic impact

2x-3x

total U.S. spend with Tier 1 diverse and small suppliers

### **Supplier diversity partnerships**

Women Mentoring Women (WMW): By pairing senior J&J business leaders with women-owned business owners who are current suppliers to J&J, we strive to promote collaboration, knowledge sharing and personal development. We executed our fifth cohort of the WMW program with more than 66% of mentees in 2023 from outside of the U.S.

National Minority Supplier Development Council (NMSDC): J&J sponsored the NMSDC Centers of Excellence program, designed to broaden the capabilities of Minority Business Enterprises (MBEs) to compete in a global environment. Nearly 60 select NMSDC-certified Women Business Enterprises (WBEs) and MBEs benefited from coaching with corporate leaders and mentors, as well as seminars delivered by business schools, J&J experts and industry partners. The graduates reported an increase of \$4.6 million in revenue and 27% in profitability.

**Social enterprises:** We continued to support procurement from social enterprises around the world and sponsored the Social Enterprise World Forum's annual summit, SEWF23, in Amsterdam. Learn more  $\rightarrow$ 

# Supplier engagement for good

Through our Partnerships for Good, we encourage our suppliers to join us in developing sustainable solutions to social and environmental challenges. For example, in 2023, we doubled our certified <u>WBE</u> spend, as identified in our charge card data, to \$6 million from approximately \$3 million in 2022, emphasizing our commitment to leveraging growing opportunities to support WBEs. This was enabled through our expanded collaboration with American Express and the Women's Business Enterprise National Council (WBENC) in a unique joint initiative that identifies the spend of J&J travelers and seeks opportunities to purchase from WBEs. We plan to further expand this initiative to include small and other diverse business groups in the future.



# Corporate governance

Effective governance is the foundation of our ESG strategy, and the Company's oversight of ESG-related matters starts with the Board. Significant potential ESG risks-including compliance, certain environmental matters, cybersecurity and human capital management—are reviewed and evaluated by the Board and its committees as part of their overall risk oversight of our Company.

Beyond the Board, our governance structure, policies and processes are designed to serve the needs of our business, our shareholders and other stakeholders while promoting a culture of accountability. For more information, please see our (i) Position on Corporate Governance and our Corporate Governance overview, which address our approach to corporate governance and provides our Board committee charters and U.S. Securities and Exchange Commission (SEC) filings.

Developments related to our governance approach and structure in 2023 include:

- The Special Committee, formed by the Board in 2021 to oversee the separation of the Company's Consumer Health business, was disbanded following the successful separation of J&J's Consumer Health business.
- The Board partnered with management to evolve our Enterprise Risk Management (ERM) Framework and its related processes and procedures. The refreshed ERM Framework helps identify potential events that may affect the Company and provides a coordinated, integrated, and aggregated process for managing risks across the Company.

Our Board of Directors as of April 2024

92%

ethnically/racially diverse

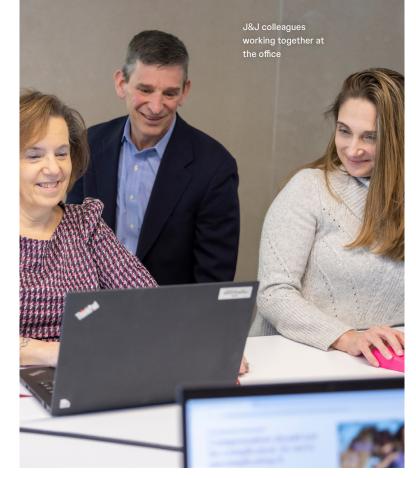
- · In coordination with the ERM Framework effort, we updated our governance of risk by launching the Enterprise Compliance & Risk Committee (ECRC). The ECRC supports both the functions devoted to risk and the business sectors by enhancing awareness of current and emerging risks and facilitating action planning across the Company. The ECRC is chaired by our Chief Technical Operations & Risk Officer and includes representatives from across our business sectors and enterprise risk functions.
- J&J's Lead Director is appointed by the independent Directors on an annual basis and provides strong independent leadership of the Board. In April 2024, the Board of Directors appointed Marillyn Hewson to succeed Anne Mulcahy as Lead Director.



'As we enter a new era of J&J, we have taken care to maintain our solid foundation of corporate governance that is supported by our values-driven culture and uncompromising focus on patients. It's only by doing the right things in the right way that we

give our Company the best opportunities for ongoing success for the benefit of patients everywhere."

Elizabeth Forminard, Executive Vice President, Chief Legal Officer, Johnson & Johnson



### Tax responsibility

J&J is committed to paying our fair share of taxes.<sup>38</sup> Our tax footprint evolves over time and reflects our business activities and investments in each respective jurisdiction, including in R&D and manufacturing. What does not waver is our commitment to good corporate citizenship, which we demonstrate through sustainable values and behaviors relating to tax governance, compliance, planning, risk management, relationship with governmental authorities and transparency, all of which are more fully described in our Tax Policy. (1) Policies & Positions

In 2023, J&J contributed approximately \$16.4 billion in taxes and fees to governments and economies around the world.<sup>39</sup> This Total Tax Contribution is made up of two components:

Total Taxes Borne: In 2023, J&J bore \$10.6 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 nonrecoverable value-added tax. Other taxes are primarily comprised of
customs and other duties such as local taxes and special fees related
to the pharmaceutical industry.



"Johnson & Johnson's Credo principles reinforce our commitment to good corporate citizenship. Our tax policy is guided by those principles, and it is through those sustainable values and behaviors we maintain strong tax governance.

In 2023, Johnson & Johnson paid over \$10.6 billion in taxes and collected another \$5.8 billion in taxes that benefit governments across the globe."

Alyson Lawrence, Vice President, Global Taxation, Johnson & Johnson

• Total Taxes Collected: Additionally, in 2023 J&J collected \$5.8 billion related to the commerce the Company generates. These collections were in the form of payroll and social insurance taxes from approximately 134,000 employees across the world, sales and use taxes, and value-added taxes. These taxes are collected on behalf of governments from employees, customers and other business partners. Taxes Collected are an important part of the measure of the contribution made by J&J through job creation and business activities in the many countries in which we operate.

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 2023 Annual Report.

Other taxes shown aggregate our data from 40 major markets that represent the vast majority of our revenues. We aspire to include all markets in future years.

2023 Tax Contribution (billions)	Taxes Borne	Taxes Collected
Payroll & social insurance taxes	\$1.5	\$ 4.6
Sales/use & other taxes	\$0.8	\$ 1.2
Corporate income tax	\$8.3	_
Total	\$10.6	\$ 5.8
Total tax contribution		\$16.4

# Information security & data privacy

We believe in maintaining a proactive information security strategy to protect information assets against threats to our business. Similarly, J&J is committed to data privacy and ensuring that protecting personal information is integral to our core way of operating. In addition to our Code of Business Conduct and compliance with the laws that apply to our operating companies' handling of personal information, we maintain robust data privacy controls to protect the personal information of our employees, customers, partners and all those who entrust their information to us.

We improved the robustness of our information security and privacy programs in 2023 in the following ways:

- Expanded cyber capabilities: To enhance protection of company assets, we deployed a new solution for modernizing the security for access to company applications and systems. This new solution securely connects users to applications and was deployed to more than 60% of users in 2023. Deployments to remaining users are targeted for early 2024. Additionally, we initiated the deployment of data protection measures to increase the security of sensitive company data against threats of unauthorized removal, including employee, customer, patient, and partner data. The measures were deployed to the majority of the global user base in 2023 and will be deployed to remaining users in early 2024.
- Enhanced protection against cyber risk at multiple supply chain sites: We completed a targeted effort to enhance the security at multiple critical supply chain sites, helping establish an effective baseline level of security controls. These efforts reduced the risk to operations at the sites and increased our ability to provide products to patients and customers.



<sup>38</sup> 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-K. This tax information is supplemental to, and not a substitute for, the information reported in the Company's SEC filings.

<sup>39</sup> On August 23, 2023, Johnson & Johnson completed the separation of the Consumer Health business (Kenvue). The total taxes borne and collected by the Consumer Health business are not reflected in the 2023 Total Tax Contribution Statement. Likewise, the total employees referenced also excludes employees of the Consumer Health business.

## Ethics & compliance

The values that guide our decision making are spelled out in Our Credo, which requires that we uphold its tenets and guides us to consider all actions through the lens of impact to Our Credo stakeholders.

We strive to ensure all employees and contingent workers know their responsibilities to act in accordance with applicable laws, regulations and industry codes, as well as the Company's internal standards and expectations for ethical and compliant conduct. Building on Our Credo values, Our Code of Business Conduct (Code) and Health Care Compliance (HCC) policies list comprehensive ethical standards for decisions and actions in every market where we operate. Mandatory Code training is conducted every 2 years, and HCC training is conducted each year. All new employees are assigned and required to complete Code, HCC and other relevant required training. (1) Policies & Positions

In 2023, we competed our biannual revision of the Code to include the following changes:

- a sole focus on the Innovative Medicine and MedTech business segments;
- · inclusion of pertinent scenarios that reflect relevant Code topics;
- changes relating to technological advancements, including social media and the communication and storage of confidential business information:
- updates relating to the process to document conflicts of interest;
- insertion of a new "Use of Generative Artificial Intelligence" section;
- alignment with our other ESG-related disclosures, including our updated ESG strategy, Position on Human Rights and environmental sustainability standards and policies.

The J&J Our Credo Integrity Line provides a global, accessible channel for reporting concerns and is available 24 hours a day, 7 days a week and in 24 languages. It is independent, secure and confidential, offering a safe mechanism for anonymous reporting (where permitted by local law) of suspected concerns or potential violations of our policies or the law.

Aspects of ethics and compliance we advanced in 2023 included:

### Improving the effectiveness of HCC training

We developed role-specific training scenarios to enhance the application of compliance principles in daily operations. We also introduced an audio-only version of the HCC training to help meet the diverse needs of our employees, including those who are visually impaired or benefit from audio-centric learning. We use a proprietary evaluation methodology to measure learning and again in 2023, HCC training demonstrated a statistically significant impact on learning transfer.

Our Health Care Compliance Academy was honored with the Brandon Hall Gold Award in the category of "Best Launch of a Corporate Learning University," a testament to our culture of learning and effective programs.

### New training tools

In 2023, we introduced a People Leader Training program, encouraging personal accountability in ethics and compliance. We also created a Compliance Week Toolkit, characterized by interactive, gamified activities to make compliance training engaging and effective. These initiatives strengthen the culture of integrity within the organization, equipping mid-level leaders to make ethical decisions daily.

### Updating compliance guidance

We updated our Government Contracting & Pricing Compliance Framework that applies to J&J companies or business units that sell to, engage with or participate in government drug pricing programs or receive funds from U.S. government entities for R&D and other programs. The refreshed framework helps J&J companies continue to stay compliant with pricing and contracting regulations, align with regulations and reinforce expectations in a clear and consistent manner.

### Providing guidance for ethical use of Al tools

In 2023, we provided guidance for our employees for use of publicly available Generative AI platforms to strengthen compliance on critical issues such as protecting company data. By understanding the ethical challenges of leveraging AI, we can shape our use of this technology to make a positive impact in a responsible manner.

#### Upholding bioethics

We championed ethical and transparent medical and scientific practices and policies to provide employees with the resources and training to help address bioethics questions that may arise during their day-to-day work. The Office of the Chief Medical Officer (OCMO) sponsors the J&J Bioethics Committee, which serves as an advisory body to our global teams on ethical issues in alignment with our Ethical Code of Conduct for R&D. (1) Policies & Positions



### Human rights

Guided by Our Credo values, we respect and promote human rights across our operations, through our business relationships and in the communities in which we operate. We are committed to upholding internationally recognized human rights standards and frameworks.<sup>40</sup>

In 2023, we updated our **(i)** Position on Human rights to reflect the establishment of a four-pillar human rights framework that guides our human rights priority focus areas and related action plans. The update was also informed through benchmarking external good practices for human rights commitment statements and the approaches of our industry peers.

### Governance

Our Enterprise Human Rights Governance Council (EHRGC), comprising senior leaders representing key functions, leads our global human rights program management and met regularly throughout 2023 to set priorities and monitor progress. Two members of the J&J Executive Committee—the Executive Vice President, Chief Human Resources Officer; and the Executive Vice President, Chief Technical Operations & Risk Officer—serve as executive sponsors of our human rights program and provide support and oversight. The Regulatory Compliance & Sustainability Committee (RCSC) of the Board of Directors oversees management's approach to human rights. In 2023, the RCSC received an update outlining the continued evolution of the Company's approach to human rights and external regulatory and stakeholder developments.

### Due diligence

Our due diligence processes and management systems across our business serve to help identify and address potential and actual human rights impacts. We recognize that human rights due diligence is a process of continuous improvement, and we review and refine our approach on an ongoing basis. In 2023, we strengthened due diligence on fair working conditions for our employees and workers in our supply base by more deeply integrating due diligence procedures, risk assessments and accountabilities into human resources and procurement management systems (see section: Responsible supply base).

### Maintaining a living wage

In line with our commitment to fair working conditions, we continued in 2023 to implement an annual living wage assessment in collaboration with Business for Social Responsibility (BSR) to ensure employees in all the countries in which we operate receive pay that is both market competitive and sufficient to attain a sustainable standard of living. As in previous years, we made a small number of wage adjustments in countries to ensure our living wage standards were met.

### **Employee training**

All J&J employees and selected contingent workers are assigned and required to complete Code training every 2 years, which includes guidance related to human rights. Additionally, our Foundational Human Rights Learning and Education course is available to all employees globally.

### Raising concerns

The J&J Our Credo Integrity Line provides a global, accessible channel for any stakeholder to report concerns (see section <a href="Ethics & compliance">Ethics & compliance</a>).

### External engagement

We participate in various external platforms to share insights and good practices across industry, including Shift's Business Learning Program, BSR's Human Rights Working Group and the Pharmaceutical Supply Chain Initiative Human Rights and Labor Working Group. We also work with specialist human rights organizations to inform and support our approach to human rights; in 2023, we collaborated with entities such as Impactt and Pillar Two.

### **Animal welfare**

Research involving animals has led to major medical advances and will continue to be an important part of further discoveries until viable non-animal alternatives are developed and accepted. Guided by our Global Animal Welfare Councils, J&J is committed to the 3Rs principles for the ethical treatment of animals involved in biomedical research—replacing, reducing and refining the study of animals whenever possible. Our scientists actively identify and incorporate 3Rs practices into our processes and work with regulatory bodies, to gain acceptance of appropriate non-animal alternatives in our drug development submissions. (i) Policies & Positions

We recognize our teams' achievements in our annual 3Rs awards program. In 2023, the winning innovation advanced the use of a non-animal assay to replace a gold standard animal-based assay that verified effectiveness of administered treatments in global clinical trials.

We engage widely to inform, share and work toward improving public policy on animal research. For example, in 2023, experts from J&J's Innovative Medicine's Beerse site in Belgium participated in roundtable discussions initiated by the Flemish government to develop actions to reduce the study of animals.



<sup>40</sup> As provided in the International Bill of Human Rights and the International Labour Organization's (ILO's) Declaration on Fundamental Principles and Rights at Work.

Our approach is further guided by the UNGPs and the OECD Guidelines for Multinational Enterprises.

# Product quality & safety

Our Innovative Medicine and MedTech products reach patients worldwide, and we have a responsibility, guided by Our Credo, to ensure that "everything we do must be of high quality." Patient safety and product quality have been, and will always remain, our first priority.

### Quality management

Our commitment to quality, safety and reliability is the foundation of everything we do. As a two-segment company, we continue our longstanding commitment to high quality. We incorporate innovation and technology into our strategy to unlock value and growth while always protecting our strong foundation.

Led by our Chief Quality Officer, our functionally independent Quality & Compliance organization implements quality processes and procedures designed to ensure that our products meet our quality standards, which meet or exceed industry requirements. Our Chief Quality Officer provides regular updates to the Regulatory Compliance & Sustainability Committee of the Board of Directors and meets privately with the Committee.

Our Quality Policies and Quality Standards cover the lifecycle of our products from R&D to patient experience, providing a common foundation of quality expectations and helping ensure a reliable supply of high-quality products in the markets we serve. We continue to assess and enhance our internal policies and standards to keep pace with the changing regulatory demands for our diverse portfolio of products. In 2023, we enhanced proactive compliance and risk management programs, strengthening our base quality measures, resulting in a continuing downward trend in annual quality issues raised in our markets.

In 2023, 99.75% of regulatory inspections at J&J sites by world-wide health authorities did not result in a regulatory classification.

We are focused on the future of healthcare, harnessing technology to create end-to-end patient and customer experiences, enabled by a fully connected and integrated digital ecosystem. In an increasingly connected and personalized world, digitization helps unlock speed and improve accuracy. Our Quality & Compliance organization has adopted a strategy to further embed its digital infrastructure to drive continuous improvements in product quality and customer experience. Central to our strategy is the use of accessible and interconnected data throughout the Quality & Compliance organization, allowing for product quality insights that can be designed directly into our new products.

We have also been developing Generative Artificial Intelligence (Gen AI) solutions to advance our quality processes, including reimagining data and document management and evaluating the use of Gen AI to streamline processes. In 2023, digital data integration enabled us to drive improvements in Automated Product Release, improving inventory management and on-time product delivery for our patients and customers.

We continue to invest in our teams with extensive technical and leadership training, ensuring they have opportunities to grow, develop and achieve their career aspirations through our Quality & Compliance modules in our J&J Learn training platform. Our 2023 Quality Month, which ran under the theme of "Quality of the Future," was supported by weekly communications and events that encouraged our global sites to focus on critical Quality & Compliance initiatives.

### Medical safety

Our fundamental responsibility is to provide patients, consumers and healthcare providers with products that are safe and effective. Our approach to medical safety is based on evidence and science and driven by ethics and values, putting patient well-being first and foremost in our decision making and actions. The Office of the Chief Medical Officer (OCMO) is a global, functionally independent group of medical and scientific professionals working across J&J to guide excellence in product safety and development across our business.

Key areas of progress in medical safety in 2023 included:

### Using real-world evidence (RWE) to improve patient care

RWE, drawn from real-world patient data and experiences, offers a wealth of information that complements traditional clinical trial data relating to the safety and effectiveness of our products. As a result, the use of RWE can enable healthcare decision making by health authorities and other stakeholders, optimize resource utilization and ultimately enhance patient access and medical outcomes. Among the many applications of RWE advanced by OCMO in 2023 to improve patient care, we can note the following:

- Leveraged a comparative <u>RWE</u> study using real-world data exclusively
  from electronic health records to support the FDA approval of a label
  extension for the THERMOCOOL SMARTTOUCH cardiac ablation
  catheter to include treatment of persistent <u>AFib</u>. This product
  received <u>FDA</u> approval, the first time in the MedTech industry that
  RWD was used to support a label extension.
- Used an evidence-based scientific approach, including RWD, to streamline pediatric drug development and reduce the exposure of pediatric patients to unnecessary clinical studies. This approach was used to help gain approvals for medicines for use in adolescents in China.
- Accelerated decision making for product safety by developing a
  machine learning-enabled, rapid-cycle analytics platform for safety
  signal evaluation that has reduced from months to days the time
  it takes to generate regulatory-grade RWE to estimate treatment
  effects. This platform complements the evidence generated through
  clinical trials, routine pharmacovigilance and post-authorization studies
  to deepen our understanding of the safety of our products.



### Reducing device-related interruptions in the OR

Device-related interruptions in the <u>OR</u> can increase stress and the potential for errors. J&J continues to work to standardize safety measures in ORs across the globe, having created, in 2018, with Ariadne Labs, the Device Briefing Tool (DBT), a guide that helps OR teams efficiently review the proper use of a device before a procedure, promoting better communication. In 2023, we published new results from a study at two major hospitals in Singapore, that evaluated how the DBT strengthens surgical teamwork, enhances safety culture and improves outcomes for surgical teams. Results showed that the implementation of the DBT, together with the <u>WHO</u> Surgical Safety Checklist, was associated with an 86.5% reduction in device-related interruptions, which suggests improvements in operative efficiency and safety.

### Supporting compassionate use

We collaborate with the NYU School of Medicine to support decision making for investigational medicine requests, also known as "compassionate use" or "preapproval access." The Compassionate Use Advisory Committee (CompAC), comprising ethicists, physicians and patient representatives independently selected by NYU, provides recommendations on preapproval access plans and individual requests. CompAC affirms J&J's commitment to a transparent, ethical and objective approach to reviewing requests for access to our investigational medicines. In 2023, nearly 2,000 patients received access to our innovative medicines and since 2015, more than 9,000 patients in 91 countries received access to innovative medicines through J&J's Pre-Approval Access Program.

### Assessing external requests for access to data

Since 2014, J&J worked with the Yale University Open Data Access (YODA) Project to enable a consistent approach to the independent assessment of external research proposals that request the use of clinical trial data generated by J&J. In August 2023, we reached a major milestone: 100 scientific publications resulting from independent data requests approved through the YODA Project. In total, at the close of 2023, 366 research proposals were reviewed, and 109 articles were published using data shared through the YODA Project, enabling researchers to create new insights that advance science and medicine and lead to improvements in public health.

### Counterfeiting & illicit trade

Counterfeit healthcare products place people at risk of adverse events, serious health problems and potentially death. We aim to protect patients by safeguarding people and trust in our business against the risks posed by illicit trade, including product counterfeiting, tampering and illegal diversion. With an estimated 1 in 10 medical products in low-and middle-income countries being substandard or falsified,<sup>41</sup> fighting illicit trade requires a holistic approach that includes partnerships and close collaboration across our business and with industry associations, tech solution vendors, academia and local, national and international bodies.

Key areas of progress in combating illicit trade in 2023 included:

### Protecting patients around the world

Through a variety of internal programs and external partnerships, including with law enforcement, we were able to seize more than 1 million counterfeit products and prevent them from reaching patients. One example is FUGACAR (benzimidazole) in Vietnam. FUGACAR is used to treat intestinal worms in tropical regions. Following receipt of market intelligence that counterfeit FUGACAR was being sold in large quantities within Ho Chi Minh City, we collaborated with on-the-ground investigators and local police to investigate and take action. After months of planning and coordination with local law enforcement, various locations were raided, resulting in the arrest of multiple individuals and the seizure of raw materials, manufacturing equipment, packaging and finished products, thus disrupting a criminal enterprise and preventing counterfeit products from reaching and potentially harming patients.

### Advancing drug protection measures

J&J has been an early adopter in regulations established to strengthen the supply chain in mature markets such as the U.S. and Europe while also partnering with NGOs to pilot programs in developing countries. We have adopted drug serialization and traceability measures across our portfolio, including requirements for medical devices that came into effect in 2023 for products marketed in Europe to ensure traceability between all stages of medical device development and post-market activities. In 2023, we piloted the UNICEF-led Traceability and Verification

System (TRVST) on our products in selected markets in Africa. TRVST was created to improve patient safety by addressing the impact of counterfeit and diverted products within national supply chains.  $\textbf{Learn more} \rightarrow$ 

Throughout the year, J&J conducted 88 specialized training sessions for approximately 5,200 law enforcement, customs and border protection agents which led to more than 20 instances where local authorities sought J&J's help to assess whether the product was genuine or otherwise adulterated so authorities could determine whether the product should be removed from that market to proactively protect patients.

### Strengthening anti-illicit trade impact

In 2023, J&J signed a collaboration agreement with the U.S. Chamber of Commerce with the goal of making criminal anti-illicit trade investigations more efficient. Through the National Intellectual Property Rights Coordination Center (IPR), which is part of the U.S. Department of Homeland Security, critical intelligence is shared about IP theft, fraud, trade violations and cyber intrusions by coordinating with 25 federal and international government agencies and private companies in combating global IP theft. With this information, we are better able to harness the collective power of the U.S. government and private entities to disrupt illicit supply chains and reduce instances of suspect products reaching patients.



<sup>41</sup> WHO, "Substandard and falsified medical products," https://www.who.int/en/news-room/fact-sheets/detail/substandard-and-falsified-medical-products, accessed February 2024.

# Reporting hub

### Main downloads

- ± 2023 Health for Humanity Report
- **±** 2023 ESG Summary
- **业** 2023 ESG Performance Data and Indices

### **Additional downloads**

- <u>★ Report of Independent Accountants and Management's Assertion</u>
- **⊻** CDP Climate Change 2023

**Previous Health for Humanity Reports** 



### ESG performance data

The following ESG performance data are also available as an Excel download.

Data in this annual Report, published in June 2024, cover the period between January 1, 2023, and December 31, 2023, unless otherwise indicated. In November 2021, the Company announced its intention to separate the Company's Consumer Health business into a new, publicly traded company, now Kenvue. Kenvue data are not included in this Report and are omitted from the 2023 data in the ESG Performance Data. No prior year data have been restated following the Kenvue separation, unless specifically noted.

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 2 years after acquisition, unless otherwise noted. This approach allows the new acquisitions to adjust their EH&S management and reporting systems to J&J standards. All data from Abiomed, which was acquired in late December 2022, are included in this Report, with the following exceptions: CO<sub>2</sub> Capital Relief Fund; EH&S Compliance and Certifications; Energy Use, Greenhouse Gas (GHG) emissions; Operational Waste; Supply Base Overview; Diverse Supplier Spend in the U.S. and globally; Supplier Engagement; Supplier Audits and Water Use. For additional information on data reporting boundaries, see About this report.

### **Financial results**

Financial Results (Millions) <sup>1</sup>	2023	2022
Total sales	\$85,159	\$79,990
Net earnings from continuing operations	\$13,326	\$16,370
R&D expenditure	\$15,085	\$14,135
Sales by business segment		
Innovative Medicine	\$54,759	\$52,563
MedTech	\$30,400	\$27,427
Number of consecutive years of dividend increases <sup>2</sup>	62	61

<sup>1 2022</sup> data has been restated to reflect the separation of the Consumer Health business. For detailed financial performance, see Johnson & Johnson's 2023 Annual Report. GAAP earnings were negatively impacted by the \$6.9 billion dollar charge related to the talc settlement proposal recorded in the first quarter of 2023.

List of products on the WHO List

of Prequalified Vaccines as part

of its Prequalification of Vaccine

Programme

VERMOX Donations		2023	2022	2021
Number of VERMOX (mebendazole) d	loses donated (millions)	200.00°	200.72	220.71
Number of countries where VERMOX	(mebendazole) doses were do	nated 61	61	55
Cumulative doses donated since the WHO and private donations (billions)	start of the initiative through	the 2.4°	2.2	2.0
Access to Tuberculosis Treatme	ent¹	2023	2022	2021
Annual number of patients receiving a (branded and generic)			133,636	135,493
Access to Medicine <sup>2</sup>	2023	2022		2021
Number of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme	t 6	6		6
Number of products on the WHO List of Prequalified Vaccines as part of its Prequalification of Vaccine Programme	2	2		2
List of wardwate on the WHO List	Darunavir (ethanolate), Tablet, Film-coated 75mg Darunavir (ethanolate), Tablet,	Darunavir (ethanolate), Tablet, Film-coated 75mg Darunavir (ethanolate), Tablet,	Film-c	Darunavir plate), Tablet, coated 75mg Darunavir plate), Tablet,
List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme	Film-coated 150mg Darunavir (ethanolate), Tablet, Film-coated 600mg	Film-coated 150mg Darunavir (ethanolate), Tablet, Film-coated 600mg	(ethano	Dated 150mg Darunavir Dlate), Tablet, ated 600mg

Mebendazole, Tablets,

Chewable 500mg

Mvabea (MVA-BN-

Filo [recombinant]);

Zabdeno (Ad26.

[recombinant])

Ebola vaccine

**ZEBOV-GP** 

Mebendazole, Tablets. Chewable 500mg

Mvabea (MVA-BN-

Filo [recombinant]);

Zabdeno (Ad26.

[recombinant])

Ebola vaccine

ZEBOV-GP

Mebendazole, Tablets.

Chewable 500mg Mvabea (MVA-BN-

Filo [recombinant]);

Zabdeno (Ad26.

[recombinant])

Ebola vaccine

ZEBOV-GP

<sup>2 2023</sup> includes dividend declared in April 2024. 2022 includes dividend declared in April 2023.

Our Giving (Millions)	2023	2022	2021
Total products and cash	\$4,337 <sup>‡</sup>	\$4,292	\$2,738
Products	\$3,862 <sup>‡</sup>	\$3,925	\$2,303
Cash	\$475 <sup>‡</sup>	\$367	\$435
Disaster Relief (Millions) <sup>3</sup>	2023	2022	2021
Total allocated in support for immediate, mid- and long-term response, as well as readiness, to natural disasters around the world	\$5.3	\$10.3	\$0.3
\$ worth of Johnson & Johnson product provided to communities impacted by natural disasters around the world	\$4.0	\$23.2	\$6.7

Global Community Impact	2023	2022	2021
Number of patients reached <sup>4</sup> by Johnson & Johnson Impact Ventures (JJIV) portfolio companies & funds since date of investment	3,407,950°	2,817,991	1,813,860
Number of HCPs supported by JJIV portfolio companies since date of investment	92,217°	61,794	Not reported

Women in STEM²D⁵	2023	2022	2021
Number of girls who have participated in virtual or in-person activities led by employees in partnership with nonprofit partners	327,201°	169,979	331,035

- ♦ Metric has been assured by ERM CVS. See <u>Health for Humanity Goals Assurance</u>.
- ‡ See PwC's Report of Independent Accountants and Management's Assertion and PwC's Report of Independent Accountants in previous Health for Humanity Reports.
- 1 Based on 10 people infected per 1 non-treated DR-TB patient, WHO data (https://www.who.int/westernpacific/health-topics/ tuberculosis) and cure rate of 87.8% for patients treated with bedaquilline containing regimens, based on The Lancet Respiratory Medicine, Volume 392, September 2018, Pages 821-34.
- 2 Additional information on access in the U.S. can be found in the Janssen U.S. Transparency Report. https://transparencyreport.janssen.com
- 3 Product donations include only what has been confirmed in Johnson & Johnson's internal tracking system to have been distributed within the calendar year. This number does not always reflect donations by regional Johnson & Johnson operating companies
- 4 "Patients reached" is defined as additional individual patients, customers, or users of the healthcare products and services provided by the companies and funds in JJIV's investment portfolio.
- 5 Figures represent total interactions, not unique participants.

### Our employees

Global Employees	2023	2022	2021
Total number of employees <sup>1</sup>	134,357‡	153,677	144,315
Women	67,670‡	76,874	70,774
Men	66,426‡	76,653	73,462
Declined to answer	261 <sup>‡</sup>	150	79
Region			
Asia Pacific	24,378‡	31,322	29,517
Europe, Middle East & Africa	38,379‡	44,473	42,429
Latin America	23,539‡	26,053	23,441
North America	48,061‡	51,829	48,928

Gender Representation	2023	2022	2021
Employment type			
Full-time employees			
Women	64,774‡	73,826	67,719
Men	65,752‡	76,054	72,857
Declined to answer	235‡	150	79
Part-time employees			
Women	2,896‡	3,048	3,055
Men	674 <sup>‡</sup>	599	605
Declined to answer	26‡	0	0
Fixed-term employees <sup>2</sup>			
Women	1,428‡	2,784	3,290
Men	1,368‡	2,209	2,326
Declined to answer	9‡	9	12



Gender Representation <sup>1</sup>	2023	2022	202
Region			
Asia Pacific <sup>3</sup>			
Women	50.2%‡	49.4%	47.4%
Men	49.9%‡	50.6%	52.6%
Declined to answer	0%‡	0%	0%
Europe, Middle East & Africa³			
Women	50.7%‡	50.7%	50.3%
Men	49.4%‡	49.3%	49.7%
Declined to answer	0%	0%	0%
Latin America			
Women	56.5%‡	54.6%	53.3%
Men	43.5%‡	45.5%	46.79
Declined to answer	0%‡	0.0%	0%
North America			
Women	47.3%‡	47.5%	46.9%
Men	52.2%‡	52.2%	52.9%
Declined to answer	0.5% <sup>‡</sup>	0.3%	0.29
Job Category⁴			
Vice Presidents			
Women	42.2%‡	41.2%	38.9%
Men	57.1%‡	58.0%	60.9%
Declined to answer	0.7% <sup>‡</sup>	0.8%	0.29
Directors and Managers <sup>3</sup>			
Women	49.4%‡	49.2%	48.3%
Men	50.5%‡	50.6%	51.79
Declined to answer	0.2%‡	0%	0.19
Professionals			
Women	52.0%‡	51.5%	50.5%
Men	47.8%‡	48.4%	49.4%
Declined to answer	0.2% <sup>‡</sup>	0.1%	0%
Management and executive positions <sup>4</sup>			
Women in management positions	49.2% <sup>‡</sup>	49.0%	48.0%
Women on the Executive Committee	36.4%‡	41.7%	Not reported

Diversity in the Board Composition	2020		
Women	46.2%‡	50.0%	35.7%
Ethnic/racial diversity	30.8% <sup>‡</sup>	25.0%	21.4%
Global Age Diversity	2023	2022	2021
Under 30	17.5%‡	17.0%	16.2%
30 – 50	61.6% <sup>‡</sup>	62.7%	60.7%
51+	20.9% <sup>‡</sup>	20.3%	22.7%
Declined to answer	0% <sup>‡</sup>	0%	0.4%
Age Diversity by Job Category	2023	2022	2021
Vice Presidents			
Under 30	0%‡	0%	0%
30 – 50	42.9%‡	45.3%	43.5%
51+	57.1% <sup>‡</sup>	54.7%	56.5%
Declined to answer	0%‡	0%	0%
Directors and Managers			
Under 30	1.3% <sup>‡</sup>	1.6%	1.5%
30 – 50	70.4%‡	72.0%	72.2%
51+	28.3%‡	26.4%	26.3%
Declined to answer	0%‡	0%	0%
Professionals <sup>3</sup>			
Under 30	24.6%‡	23.9%	22.7%
30 – 50	58.4%‡	59.1%	60.0%
51+	<b>17.1</b> %‡	17.0%	17.3%
Declined to answer	0%‡	0%	0%

2023

2022

2021

Diversity in the Board Composition<sup>5</sup>



Ethnic/Racial Diversity in the U.S. <sup>3</sup>	2023	2022	2021
White	61.2%‡	62.4%	64.4%
Asian	16.2%‡	16.2%	15.3%
Black/African American	7.5% <sup>‡</sup>	7.5%	7.2%
Hispanic/Latino	9.9%‡	9.8%	9.2%
Other <sup>6</sup>	2.6%‡	2.3%	2.3%
Declined to answer	2.7%‡	1.7%	1.6%
Ethnic/Racial Diversity in the U.S. by Job Category <sup>4</sup>	2023	2022	2021
Vice Presidents <sup>3</sup>			
White	67.1% <sup>‡</sup>	68.0%	70.7%
Asian	13.9%‡	13.7%	11.7%
Black/African American	7.7%‡	7.3%	7.3%
Hispanic/Latino	<b>7.4</b> % <sup>‡</sup>	8.5%	8.3%
Other <sup>6</sup>	1.9%‡	1.9%	1.9%
Declined to answer	2.1%‡	0.6%	0.1%
Directors and Managers			
White	61.6%‡	63.1%	64.5%
Asian	19.8%‡	19.6%	18.3%
Black/African American	6.4% <sup>‡</sup>	6.6%	6.3%
Hispanic/Latino	8.0%‡	8.0%	7.7%
Other <sup>6</sup>	2.4%‡	2.0%	1.9%
Declined to answer	1.8% <sup>‡</sup>	0.8%	1.4%
Professionals			
White	60.7%‡	61.7%	64.2%
Asian	13.7%‡	13.8%	13.4%
Black/African American	8.2% <sup>‡</sup>	8.3%	7.7%
Hispanic/Latino	11.3%‡	11.2%	10.4%
Other <sup>6</sup>	2.8%‡	2.6%	2.5%
Declined to answer	3.3%‡	2.4%	1.8%

New Employee Hires	2023	2022	2021
Total number of new hires	18,193	24,940	22,543
Region <sup>3</sup>			
Asia Pacific	18.9%‡	25.2%	25.6%
Europe, Middle East & Africa	19.1%‡	19.4%	16.7%
Latin America	26.9%‡	22.3%	29.2%
North America	35.2%‡	33.2%	28.4%
Gender Representation			
Women	51.4%‡	53.8%	54.0%
Men	47.6%‡	45.8%	45.8%
Declined to answer	1.0%‡	0.3%	0.2%
Age			
Under 30	43.1%‡	42.8%	47.5%
30 – 50	49.4%‡	51.3%	47.6%
51+	7.4% <sup>‡</sup>	5.9%	4.9%
Declined to answer	0.1% <sup>‡</sup>	0%	0%
Employee Retention and Turnover	2023	2022	2021
Overall voluntary turnover	7.4% <sup>‡</sup>	8.8%	8.4%
Voluntary turnover of high performers	3.5%‡	4.2%	4.4%
Parental Leave	2023	2022	2021
Gender composition of U.S. employees who took parental leave			
Women	44%	47%	43%
Men	56%	53%	57%
Gender composition of U.S. employees who returned to work after parental leave ended			
Women	96%	93%	93%
Men	98%	95%	89%



Year-End Performance Reviews Completed by Job Category	2023	2022	2021
Vice Presidents	100%	96%	87%
Directors and Managers	100%	100%	94%
Professionals	100%	100%	95%
Other <sup>7</sup>	100%	100%	87%
Overall for all employees	100%	100%	94%
Global Employee Activity	2023	2022	2021
Number of Global Activity Challenge participants	28,487	33,159	29,013
Number of Global Activity Challenge countries	69	73	76
Percent increase in physical activity for Johnson & Johnson employees	77%	82%	82%
Healthiest Workforce			2023
Percentage of employees have completed well-being course(s) this year			11%
Percentage of employees who agreed with the statement:			
Senior leadership supports the health & well-being of employees in 2023			88%
J&J maintains working conditions that are clean, orderly, and safe			91%
Training & Development	2023	2022	2021
Number of leaders trained in our Enterprise Leader Development Program	1,989	1,832	1,725
Number of U.S. and Puerto Rico employees who participated in the tuition reimbursement program	1,086	1,185	1,189
Spend on Employee Learning and Development (Millions)	2023	2022	2021
Leadership training and executive coaching	\$35	\$58	\$64
Compliance and other professional skills	\$41	\$41	\$65
Operations, administration and e-learning	\$6	\$7	\$10
Tuition and external certifications	\$3	\$6	\$11
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Average Employee Training Hours <sup>9</sup>	2023	2022	2021
Overall average hours of enterprise-wide training per employee	27.3	27.0	Not reported
Average training hours of enterprise-wide training per employee by gender			
Women	28.3	29.0	Not reported
Men	26.3	25.9	Not reported
Declined to answer	32.4	29.1	Not reported
Average hours of enterprise-wide training per employee by job category			
Vice Presidents	18.9	20.5	Not reported
Directors and Managers	28.4	29.3	Not reported
Professionals	27.4	27.3	Not reported

Number of languages Our Credo Survey is made available in  Number of countries Our Credo Survey is administered in	36‡ 76‡
Number of countries Our Credo Survey is administered in	76‡
Response rate (among all eligible employees)	94% <sup>‡</sup>
Increase in participation compared to 2022 (among all eligible employees)	<b>2</b> %‡
Favorability rate	84%‡
Change in favorability compared to 2022 on like-to-like questions	(3)%
Percentage who agreed with the statement:	
Ensures our first responsibility is to the patients, doctors and nurses, mothers and fathers, and all others who use our products and services	92% <sup>‡</sup>
Provides an inclusive work environment where each employee is considered as an individual	85%‡

Employee Resource Groups (ERGs)	2023	2022	2021
Number of employees engaged in ERGs	24,764	26,609	28,135
Number of U.S. ERG chapters	296	303	270
Number of non-U.S. ERG chapters	216	193	208
Number of WeSustain teams	65	78	78
Number of countries with WeSustain teams	30	31	32
Number of actions taken via the HealthyPlanet platform	24,043	40,495	24,609
Number of employees who completed Sustainability Training	3,004	6,276	11,780



Employee Safety <sup>10</sup>	2023	2022	2021
Employee Safety, <sup>11</sup> global			
Lost Workday Case rate <sup>12</sup>	0.07‡	0.06	0.05
Lost Workday Work-related Injury Case rate	0.07	0.05	Not reported
Lost Workday Work-related Illness Case rate	0.00	0.01	Not reported
Total Recordable Injury Rate	0.28‡	0.23	0.27
Recordable Injury Rate	0.26	0.21	Not reported
Recordable Illness Rate	0.02	0.02	Not reported
Serious Injuries and Fatalities	1‡	0	0
Number of fatalities	O‡	0	0
Employee Safety <sup>11</sup> by region			
Lost Workday Case rate <sup>12</sup>			
Asia Pacific	0.09‡	0.08	0.04
Europe, Middle East & Africa	0.07‡	0.05	0.05
Latin America	0.04‡	0.01	0.05
North America	0.07‡	0.06	0.06
Total Recordable Injury Rate			
Asia Pacific	0.21 <sup>‡</sup>	0.15	0.13
Europe, Middle East & Africa	0.27‡	0.20	0.27
Latin America	0.07‡	0.21	0.25
North America	0.33‡	0.29	0.35
Serious Injuries and Fatalities			
Asia Pacific	O‡	0	0
Europe, Middle East & Africa	O <sup>‡</sup>	0	0
Latin America	O‡	0	0
North America	1‡	0	0
Road Safety <sup>13</sup>	2023	2022	2021
Crashes per Million Miles (CPMM) rate	5.11	5.61	4.83
Injuries per Million Miles (IPMM) rate	0.05	0.05	0.07

- ‡ See PwC's Report of Independent Accountants and Management's Assertion and PwC's Report of Independent Accountants in previous Health for Humanity Reports.
- 1 "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.
- 2 Fixed-term employees (employee with a contract for a limited period that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed) are excluded from other employee and DEI-related disclosures. Fixed-term contracts make up less than 5% of total employees plus individuals on fixed-term contracts.
- 3 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.
- 4 Professional positions are defined as pay grades 20–26; management positions are defined as pay grades 30 and above.
- 5 2023 figures are as of April 2024. 2022 figures are as of December 31, 2022 and 2021 figures are as of December 31, 2021.
- 6 Gender and ethnic/racial diversity are reported in accordance with the gender, ethnicity, and race as self-reported by the employee and recorded in the Human Resources Information System (HRIS) as of December 31, 2023. "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.
- 7 Category includes employees who don't have a merit plan as part of their compensation package.
- 8 Beginning in 2022, Johnson & Johnson invested significantly in our internal J&J Learn platform, and identified areas of efficiency with our Learning and Development vendors, resulting in a decrease in our external spend.
- 9 Average hours of enterprise-wide training data represents available data from three of Johnson & Johnson's primary learning management systems. We are working to include training data from additional sources available in future. Where training durations were not included, we applied estimates based on training type.
- 10 Abiomed data is excluded from all Employee Safety data. Reported Injury/Illness Rates are excluding COVID-19 cases.
- 11 LWDC rate, TRIR, SIF 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.
- 12 "Lost days" are calendar days counted beginning the day after an incident has taken place.
- 13 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. Road safety data are integrated in the first year after acquisition, where available, and two years after acquisition at the latest.



### **Environmental health**

Energy Use <sup>1</sup>	2023	2022	2021
Total energy use (TJ)	8,920	8,973	9,136
From renewable sources	4,162	3,509	2,932
From non-renewable sources	4,758	5,464	6,204
Energy intensity (TJ/billion \$) <sup>2</sup>	105	112	116
Percentage change in energy intensity compared to 2021 baseline (TJ/billion \$)	(10)%	(3)%	0%
Percent renewable electricity by region <sup>3</sup>			
North America	100%⁰	84%	66%
Europe	100%⁰	100%	86%
Global	87%⁰	75%	61%
Purchased energy use by type (TJ) <sup>1</sup>			
Electricity	4,508	4,399	4,354
Natural gas	3,210	3,328	3,490
Diesel	353	358	357
Direct heating/cooling	208	211	225
Propane	52	54	43
Biogas	19	3	4
Fuel oil	21	12	2
Total purchased energy	8,372	8,365	8,475
On-site generated energy use by type (TJ) <sup>1</sup>			
Co-generation	328	392	456
Wind	139	132	111
Solar PV	61	66	66
Geothermal	15	15	21
Fuel cell	0	0	4
Biomass	5	3	3
Total on-site generated energy	548	608	661
On-site clean/renewable energy capacity by type <sup>4</sup>			
Solar PV	28%	29%	36%
Co-generation	23%	23%	33%
Wind	22%	22%	26%
Geothermal	24%	24%	2%

Biomass	2%	2%	2%
Fuel cell	0%	0%	1%
On-site clean/renewable energy technology capacity (MW)	70	71	58

Greenhouse Gas (GHG) Emissions⁵	2023	2022	2021
Scope 1 GHG emissions, total (MT CO₂e) <sup>5</sup>	320,104°	330,603	329,756
Scope 1 GHG emissions by source (MT CO <sub>2</sub> e) <sup>5</sup>			
Facilities <sup>1</sup>	191,082	196,935	203,725
Fleet	112,359	112,027	107,752
Refrigerants <sup>15</sup>	6,198	14,112	11,237
Aviation <sup>16</sup>	10,465	7,529	7,042
Scope 2 GHG emissions, facilities (MT CO <sub>2</sub> e) <sup>1,5</sup>			
Location-based	467,934°	455,866	456,353
Market-based	122,776°	175,969	244,409
Scope 1 + Scope 2 GHG emissions, total (MT CO <sub>2</sub> e)	442,880	506,573	574,165
GHG emissions intensity (Scope 1 + Scope 2) by revenue (MT CO <sub>2</sub> e/million \$)	5	6	7
Percentage decrease in GHG emissions intensity (Scope 1 + Scope 2) by revenue compared to 2021 baseline (MT CO <sub>2</sub> e /million \$)	18%	13%	0%
Total offsets applied to reporting year	0	478	0
Scope 3 GHG emissions, by source (MT ${\rm CO_2}{\rm e})^{5,14}$			
Purchased goods and services <sup>6</sup>	4,922,1710	4,898,185	4,778,503
Capital goods <sup>6</sup>	168,604°	169,738	176,885
Fuel- and energy-related activities <sup>7</sup>	187,356°	175,707	176,878
Upstream transportation and distribution <sup>6</sup>	700,249°	823,269	562,235
Waste generated in operations <sup>8</sup>	5,267⁰	5,683	5,538
Business travel <sup>6, 9</sup>	291,577°	232,358	84,468
Employee commuting <sup>10</sup>	164,482°	160,093	147,774
Upstream leased assets <sup>11</sup>	21,837°	24,372	20,160
Downstream transportation and distribution <sup>12</sup>	233,863	249,267	230,887
Use of sold products (Direct) <sup>13</sup>	111,399°	108,258	67,536
End-of-life treatment of sold products <sup>13</sup>	58,784°	57,342	56,127

CO <sub>2</sub> Capital Relief Fund <sup>22</sup>	2023	2022	2021
Number of projects completed (annual)	5	5	10
Amount spent on projects (annual) (millions)	\$16	\$15	\$11
Cumulative projects completed since 2005	205	200	195
Cumulative spend on completed projects since 2005 (millions)	\$387	\$384	\$382
Total annual energy cost savings as a result of completed projects since 2005 (millions)	\$69	\$69	\$68
Total annual energy savings as a result of completed projects since 2005 (TJ)	2,016	1,976	1,966
Total annual GHG emissions avoided as a result of completed projects since 2005 (MT CO <sub>2</sub> e)	264,710	260,954	259,208
Air Emissions by Source (MT)	2023	2022	202 <sup>.</sup>
Hazardous air pollutants (HAP)	43.5°	45.4	43.3
Volatile organic compounds (VOC)	302.7°	339.1	449.
Particulate matter (PM)	27.3°	65.1	67.
Refrigerants	3.6°	10.0	8.6
Ozone-depleting substances	0.10	3.3	1.3
Ozone-depleting substances (MT of CFC-11 equivalents)	0	0.2	0.
Sulfur oxides (SOx)	39⁰	57	53
Mono-nitrogen oxides (NOx)	28⁰	41	3
Water Use (Million m³)	2023	2022	202
Total water withdrawn	7.30°	11.11	11.04
Total water consumed	1.53⁰	3.93	3.89
Total water recycled and reused <sup>30</sup>	0.38°	0.83	0.8
Total water discharge	5.77°	7.18	7.15
Percentage of water withdrawn in regions of high or extremely high baseline water stress <sup>17</sup>	44%⁰	40%	40%
Percentage of water consumed in regions of high or extremely high baseline water stress	57%⁰	49%	52%
Water withdrawn by source			
Municipal	5.77	8.13	7.70
Groundwater	1.22	2.70	3.06
Gray water	0.01	0	0.02

Other	0.08	0.08	0.09
Rainwater	0.23	0.18	0.15
Surface water	0	0.01	0.01
Water withdrawn by category			
Freshwater (≤1,000 mg/L Total Dissolved Solids) <sup>19</sup>	7.22	11.01	Not reported
Other water (>1,000 mg/L Total Dissolved Solids) <sup>18, 19</sup>	0.09	0.08	Not reported
Water withdrawn in areas of high or extremely high baseline water st	ress by source		
Municipal	2.58	3.30	3.20
Groundwater	0.31	0.88	1.02
Gray water <sup>18</sup>	0.01	0	0.01
Other <sup>18</sup>	0.08	0.08	0.09
Rainwater	0.22	0.15	0.13
Surface water	0	0	0
Water withdrawn in areas with high to extremely high water stress by	y category		
Freshwater (≤1,000 mg/L Total Dissolved Solids) <sup>19</sup>	3.12	4.34	Not reported
Other water (>1,000 mg/L Total Dissolved Solids) <sup>19</sup>	0.09	0.08	Not reported
Total water withdrawn in areas with high to extremely high water stress	3.20	4.42	4.45
Water discharge in areas with high to extremely high water stress by	destination		
Wastewater treatment plant	1.39	1.57	Not reported
Surface water	0.71	0.70	Not reported
Irrigation	0.22	0.23	Not reported
Other	0	0	Not reported
Ocean	0	0	Not reported
Total water discharge in areas with high to extremely high water stress	2.32	2.50	Not reported
Water discharge by destination			
Wastewater treatment plant	4.01	4.83	4.81
Surface water	1.23	1.80	1.85
Irrigation	0.24	0.28	0.26
Other	0.05	0.04	0.06
Ocean	0.25	0.22	0.18



Operational Waste (MT) <sup>20</sup>	2023	2022	2021
Total waste generated <sup>21</sup>	121,068°	198,270	207,044
Hazardous waste <sup>21</sup>	57,259°	61,147	63,281
Non-hazardous waste <sup>21</sup>	63,809°	137,123	143,764
Percentage of waste diverted from disposal	83%	85%	86%
Percentage of waste directed to disposal	17%	15%	14%
Waste diverted from disposal			
Hazardous waste			
Recycled	20,390	27,038	25,207
Energy recovery	11,198	13,611	16,599
Reused <sup>21</sup>	15,850	14,956	12,558
Non-hazardous waste			
Recycled	31,892	81,775	92,206
Energy recovery	11,203	19,587	18,724
Reused	9,977	12,389	12,451
Total waste diverted from disposal <sup>18</sup>	100,510°	169,355	177,745
Waste directed to disposal			
Hazardous waste			
Landfilled <sup>18</sup>	839	1,137	2,380
Incinerated	2,553	3,478	5,146
Bio/chemical treatment	6,415	896	1,269
Other	14	32	121
Non-hazardous waste			
Landfilled <sup>21</sup>	5,958	7,856	8,938
Incinerated <sup>18</sup>	646	2,221	1,965
Bio/chemical treatment	4,101	11,864	7,808
Other <sup>21</sup>	32	1,431	1,672
Total waste directed to disposal <sup>21</sup>	20,558°	28,915	29,299

EH&S Compliance and Certifications	2023	2022	2021
Number of manufacturing and R&D sites certified to ISO $14001^{23}$	57‡	87	92
Percentage of manufacturing and R&D sites certified to ISO 14001 <sup>23, 24</sup>	89%‡	91%	89%
Number of manufacturing and R&D sites certified to ISO 45001 <sup>23</sup>	14‡	20	18
Percentage of manufacturing and R&D sites certified to ISO 45001 <sup>23, 24</sup>	21%‡	20%	17%
Number of environmental non-compliances <sup>25, 26</sup>	87‡	167	34
Fines paid for environmental non-compliances (thousands) <sup>26, 27</sup>	\$7.9 <sup>‡</sup>	\$11.7	\$3.6

LEED Buildings <sup>28</sup>	2023	2022	2021
Number of newly LEED-certified Johnson & Johnson buildings (annual)	6	1	7
Number of Johnson & Johnson buildings that are LEED-certified (total) <sup>29</sup>	62	68	67
Percentage of Johnson & Johnson built space that is LEED-certified $(\mbox{total})^{29}$	19.2%	17.0%	15.9%
Total area of office and building space that is LEED-certified (million square feet) <sup>29</sup>	8.2	9.4	9.4

Product End of Life (Millions)	2023	2022	2021
Number of medical devices collected in U.S.	0.71	0.78	0.93
Number of medical devices reprocessed in U.S.	0.29	0.32	0.39

- ♦ Metric has been assured by ERM CVS. See GHG & Air Emissions, Electricity and Water Data.
- ‡ See PwC's Report of Independent Accountants and Management's Assertion and PwC's Report of Independent Accountants in previous Health for Humanity Reports.
- 1 Includes site-specific data from all Johnson & Johnson owned sites, all manufacturing and R&D sites, and leased administrative or warehouse sites over 50,000 sq ft, where Johnson & Johnson has operational control, unless otherwise noted. Energy metrics for 2021 and 2022 have been restated to reflect the separation of the Consumer Health business.
- 2 Energy intensity ratio includes all purchased and on-site generated energy. Revenue used in calculations for 2021-2023 excludes all revenue related to the former Consumer Health business.
- 3 This data is the percentage of electricity used by Johnson & Johnson that is generated from renewable sources, including on-site and off-site renewable systems, like direct PPAs, virtual PPAs, Utility Green Tariffs and Energy Attribute Certificates. Europe includes Belgium, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Spain, Sweden, Switzerland and the UK. Reporting for the U.S. does not include Puerto Rico.
- 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 the World Resources Institute (WRI) Corporate Accounting and Reporting Standard, 2021 and 2022 values are restated to reflect newly released electricity grid emission factors as well as the addition or removal of acquisitions and divestitures. 2021 and 2022 data have been re-stated to reflect the separation of our Consumer Health business. This threshold for restatement deviates from the one included in the About This Report section. 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<sub>2</sub> emissions in 2023 were 1,394 MT CO., Electricity emission factors are obtained from the International Energy Agency's CO., Emissions from Fuel Combustion Report; the U.S. Environmental Protection Agency's (EPA's) eGRID publication for location-based Scope 2 reporting, and from utility companies and residual emission factor sources, 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 Sixth Assessment Report. The chosen consolidation approach for emissions is operational control.



- 6 Emissions were calculated using Company spend or budgeted spend in the reporting year paired with appropriate economic input/output (IO) emission factors from the Comprehensive Environmental Data Archive (CEDA) Global 4.01 dataset. 2021-2022 data are restated using CEDA emission factors, as prior years' calculations utilized Carnegie Mellon's 2002 emission factor dataset. Year-over-year decrease in Upstream Transportation and Distribution is due to a reduction in air transportation spend.
- 7 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 International Energy Agency (IEA) loss factors for electricity and the Department for Environment, Food and Rural Affairs (DEFRA) WTT emission factors for fuels and electricity.
- 8 Emissions from Waste Generated in Operations were calculated for both non-hazardous and hazardous waste from manufacturing and R&D operations using Department for Environment, Food & Rural Affairs' (DEFRA) emissions factors for waste.
- 9 Emissions from Business Travel are reported on a Well-to-Wheel (WTW) basis. Business travel emissions from personal vehicle travel reflect CO<sub>2</sub> only. Year-over-year increase is due increased air travel in 2023 compared to 2022 as a result of COVID-related travel restrictions being lifted. Emissions from hotel stays are not included, in alignment with GHG Protocol required emissions for this category (optional emission sources have been excluded).
- 10 Emissions from Employee Commuting were calculated using distance data based on employee home and work location zip codes. Weighted emission factors were calculated per region based on modes of commuting from a 2023 survey of a sample of Johnson & Johnson employees in all regions. 2021 and 2022 values are restated to reflect the updated methodology. Emissions are reported on a WTW basis. Incremental emissions from employee remote work are not included, in alignment with GHG Protocol required emissions for this category (optional emission sources have been excluded).
- 11 Emissions from Upstream Leased Assets were calculated by estimating the fuel and electricity use of leased sites that are not included in J&J's Scope 1 & 2 boundary, based on their region, building type, and square footage. 2021 and 2022 values are restated to reflect the updated methodology (previously only electricity emissions were estimated for Upstream Leased Assets).
- 12 Emissions from Downstream Transportation and distribution were calculated using J&J's spend on ground transportation and approximate percentage of sales sold via distributors, paired with appropriate economic input/output (IO) emission factors from the Comprehensive Environmental Data Archive (CEDA) Global 4.01 dataset. 2021 and 2022 values are restated to reflect the updated methodology as prior years' calculations utilized SmartWay data, which only included U.S. shippers. We have identified a level of uncertainty associated with this methodology and look to improve this calculation in the future.
- 13 Emissions from the Use of Sold Products and the End-of-Life Treatment of Sold Products were calculated using sales volumes for all Johnson & Johnson products combined with lifecycle assessment (LCA) models where sales volumes could be obtained. Due to the size of our product portfolio, LCA's were not performed for every Johnson & Johnson product, so products were placed into LCA categories and a representative product LCA was applied. 2021 and 2022 values are restated to reflect more comprehensive data and subject matter expert review of product types. Lower Use of Sold Products value in 2021 may be due to different source data used in calculations than in 2022 and 2023. Indirect use phase emissions are not included, in alignment with GHG Protocol required emissions for this category (optional emission sources have been excluded).
- 14 Emissions from the Processing of Sold Products, Downstream Leased Assets, Franchises, and Investments are not relevant to Johnson & Johnson operations.
- 15 Includes site-specific data from all Johnson & Johnson manufacturing and R&D sites only. Year-over-year decrease is due to fewer refrigerant leaks experienced in 2023.
- 16 Year-over-year increase due increased number of flights in 2023 compared to 2022 as a result of COVID-related travel restrictions being lifted
- 17 Percentage of water withdrawn and consumed in regions of high or extremely high baseline water stress has increased compared to 2022 driven by the reclassification of baseline water stress per Aqueduct WRI update 2023. The reclassification resulted in additional sites recategorized as high to extremely high baseline water stress. Total water withdrawal and consumption in these regions have decreased due to the Consumer Health separation.
- 18 2022 data is restated.
- 19 Municipal water, Groundwater, Rainwater and Surface water sources are considered as the "Freshwater" category. Grey water & Other water sources are considered as the "Other water" category.
- 20 Overall waste generation is lower compared to 2022 due to the separation of the Consumer Health business. All waste metrics show this decrease, except for two: 1) "hazardous waste reused" increased due to the increased production at a manufacturing location which generates solvent waste that is being diverted from disposal as beneficial reuse 2) "hazardous waste biological/chemical treatment" increased because of the temporary need for off-site treatment of certain aqueous wastes.
- 21 2022 and 2021 data is restated.
- 22 2021 and 2022 metrics are restated to reflect the separation of our Consumer Health business. Results are from completed projects, based on fuel and electricity reduction calculations. Avoidance of energy consumption and GHG emissions are calculated by comparing energy consumption before project implementation and expected consumption after implementation using engineering estimates at the time the projects are approved through an internal process.

- 23 Certified to ISO 14001 or ISO 45001 means the site has received an external certification that is valid as of December 31, 2023. The decrease in sites with ISO 14001 and 45001 certifications is driven by the exclusion of Consumer Health sites.
- 24 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, 2023).
- 25 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.
- 26 Environmental non-compliances and fines paid exclude newly acquired sites (i.e., owned less than two years as of December 31, 2023).
- 27 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, 2023.
- 28 2023 data excludes previously certified LEED buildings that were included in the Consumer Health separation.
- 29 Totals include 3 BREEAM (Building Research Establishment Environmental Assessment Methodology) certified sites.
- 30 There is uncertainty in the estimation of recycled water for one site, contributing 19% of the overall recycled water. The estimation was developed in prior years and requires additional review which Johnson & Johnson plans to pursue.



### Accountability & innovation

Supply Base Overview	2023	2022	2021
Number of Johnson & Johnson suppliers	38,544	46,064	45,324
Total Johnson & Johnson supplier spend (billions) <sup>1</sup>	\$31.2	\$40.1	\$34.8
Supplier spend contracted by region <sup>1</sup>			
Asia Pacific	6%	10%	9%
Europe, Middle East & Africa	34%	32%	34%
Latin America	2%	3%	3%
North America	58%	56%	55%
Supplier spend contracted by business segment <sup>1</sup>			
Innovative Medicine	47%	34%	37%
MedTech	38%	30%	28%
Enterprise	15%	13%	12%
Supplier Engagement	2023	2022	202
Number of suppliers invited to participate in CDP Supply Chain Climate program	446	392	388
Percentage participated	74%	85%	829
Number of suppliers invited to participate in CDP Supply Chain Water program	38	150	13
Percentage participated	68%	74%	75%
Supplier EcoVadis assessments			
EcoVadis assessments completed	989	1,210	88
Supplier risk ranking based on EcoVadis assessments			
Low risk	824	924	638
Medium risk	150	269	213
High risk	15	17	33
Diverse Complian County in the LLC (Millians)?	2022	2022	202
Diverse Supplier Spend in the U.S. (Millions) <sup>2</sup> Tier 1 supplier spend <sup>3</sup>	2023	2022	202
Diverse-owned <sup>4</sup>	¢2.105.5	\$2,674.0	\$2,214.0
Disabled-owned	\$2,105.5		\$2,214.
	\$144.6	\$125.6	
LGBTQ-owned	\$6.9	\$14.0	\$9.2
Minority-owned	\$1,328.1	\$1,791.3	\$1,463

Veteran- and disabled Veteran-owned <sup>5</sup>	\$104.72	\$106.57	\$90.5
Women-owned	\$848.0	\$952.7	\$873.0
Total Small business spend in the U.S. <sup>6</sup>	\$2,553.4	\$2,927.0	\$2,641.0
Percentage of total supplier spend attributable to small suppliers <sup>6</sup>	14.4%	13.4%	14.4%
Percentage of total supplier spend attributable to diverse suppliers <sup>6</sup>	11.9%	12.2%	12.0%
Diverse Supplier Spend, Global (Millions) <sup>2</sup>	2023	2022	202
Total Global Impact Spend (billions) <sup>7</sup>	\$4.9°	\$5.9	\$5.2
Number of countries outside the U.S. tracking	19	19	18
Tier 1 Diverse supplier spend in countries outside the U.S. (millions)	\$409.9	\$536.8	\$668.
Global Tier 1 supplier spend <sup>8</sup>			
LGBTQ-owned	\$8.8	\$17.3	\$11.0
Minority-owned	\$1,568.3	\$2,114.5	\$1,785.
Veteran- and disabled Veteran-owned <sup>5</sup>	\$114.23	\$106.63	\$99.42
Women-owned	\$1,012.0	\$1,218.5	\$1,223.9
Total Tier 1 diverse supplier spend (billions)	\$2.5	\$3.2	\$2.9
Tier 2 diverse supplier spend	\$540.5	\$649.6	\$508.7
Social Enterprise spend outside the U.S.	\$9.2°	Not reported	Not reported
Total Tier 1 Diverse Spend since 2010 (billions) <sup>9</sup>	\$20.0	Not reported	Not reported
Supplier Audits	2023	2022	202
Supplier Environment, Health and Safety			
EH&S audits and technical visits completed <sup>10</sup>	152	160	164
EH&S audits and technical visits by region			
Asia Pacific	125	121	133
Europe, Middle East & Africa	13	8	1
Latin America	6	17	10
North America	8	14	10
Number of suppliers identified as high risk for non-conformance to Johnson & Johnson Responsibility Standards for Suppliers	4	15	2
Number of critical EH&S findings <sup>11</sup> identified as a result of EH&S audits	1	9	9
Safety-related findings	1	5	8
Environmental-related findings	0	4	



Animal Welfare	2023	2022	2021
Number of facilities with animals with veterinary oversight	7	6	Not reported
Number of facilities with animals accredited by AAALAC International 12	6	6	Not reported
Percentage of facilities with animals that are accredited by AAALAC International	100%	100%	Not reported
Percentage of research performed in rodents, fish or frogs when there are no non-animal alternatives available	96%	96%	Not reported
Cybersecurity & Data Privacy	2023	2022	2021
Percentage of employees who completed Information Security Training <sup>13</sup>	93%	95%	Not reported
Board of Directors' Composition <sup>14</sup>	2023	2022	2021
Number of Directors	13	12	14
Number of Independent Directors	12	11	13
Percentage of Independent Directors	92%	92%	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 & Sustainability Compliance Committee	Yes	Yes	Yes
Independent Science & Technology Committee	Yes	Yes	Yes
Number of regular and special meetings held by the Board of Directors	15	15	17
Tax Contribution (Billions) <sup>15</sup>	2023	2022	2021
Payroll & social insurance taxes borne	\$1.5 <sup>‡</sup>	\$1.6	\$1.5
Payroll & social insurance taxes collected	\$4.6‡	\$4.9	\$4.6
Sales/use & other taxes borne	\$0.8 <sup>‡</sup>	\$0.9	\$0.9
Sales/use & other taxes collected	\$1.2 <sup>‡</sup>	\$1.1	\$1.3
Corporate income tax	\$8.3 <sup>‡</sup>	\$5.2	\$4.8
Total taxes borne <sup>16, 17</sup>	\$10.6 <sup>‡</sup>	\$7.7	\$7.2
Total taxes collected <sup>16</sup>	\$5.8 <sup>‡</sup>	\$6.1	\$6.0
Total taxes collected	Ψ0.0	Ψ0	Ψ 0.0

Code of Business Conduct (CBC) Compliance	2023	2022	2021
Percentage of senior leaders certified the compliance of their organizations with the CBC <sup>18</sup>	100%	100%	100%
Number of warning letters or untitled letters issued by OPDP or APLB in the U.S. $^{\rm 19}$	0	0	0
Code of Business Conduct (CBC) Training	2023	2021	2019
Percentage of active employees who completed CBC training since 2022	98%	98%	97%
Health Care Compliance (HCC) Training	2023	2022	2021
Number of relevant Johnson & Johnson employees who completed HCC training that includes anti-corruption section	83,000	105,000	98,000
Percentage of sales and marketing employees who completed HCC training	96%	97%	97%
Inquiries and Complaints Representing Potential Misconduct through Our Credo Integrity Line, by Category <sup>20</sup>	2023	2022	2021
Human Resources-related	74%	71%	55%
Business integrity-related	12%	11%	14%
Other (privacy, information security, general security, EH&S, etc.)	4%	6%	9%
Financial-related	5%	4%	7%
General information questions	2%	3%	8%
Product quality- and patient safety-related	2%	3%	2%
Human rights-related	1%	1%	5%
Compliance-Related Allegations Investigated Through Triage Committee	2023	2022	2021
Number of compliance-related allegations investigated	1,016‡	749	661
Percentage of compliance-related allegations			
Healthcare compliance	67%‡	55%	48%
Financial	25%‡	36%	43%
Other	8%‡	9%	9%
Collective Bargaining Agreements	2023	2022	2021
Percentage of employees covered by collective bargaining agreements	30%	30%	30%



Product Quality Indicators <sup>21</sup>	2023	2022	2021
Number of regulatory inspections of Johnson $\&$ Johnson sites by worldwide health authorities $^{22}$	395‡	411	378
Percentage of regulatory inspections that did not result in a regulatory classification <sup>23</sup>	99.75%‡	100.00%	100.00%
Number of FDA inspections of Johnson & Johnson sites <sup>22, 24</sup>	15‡	8	6
Number of Form 483's issued	5 <sup>‡</sup>	3	2
Number of FDA warning letters issued	1‡	0	0
Number of independent audits of Johnson & Johnson sites to ensure compliance with Johnson & Johnson Quality Policy & Standards	132‡	126	136
Number of independent audits of external manufacturing sites to ensure compliance with Johnson & Johnson Quality Policy & Standards	221‡	211	221
FDA Recall Removals <sup>25</sup>			
FDA Class I Recall Removals			
Innovative Medicine	O <sup>‡</sup>	0	O
MedTech	1‡	0	O
FDA Class II Recall Removals			
Innovative Medicine	O‡	0	O
MedTech	10‡	11	10

Anti-Counterfeiting <sup>26</sup>	2023	2022	2021
Number of anti-counterfeiting best practices trainings delivered to law enforcement agents (Customs, Border Protection, etc.)	88	104	87
Number of external trade groups, alliances, organizations and agencies in which Johnson & Johnson is engaged in leadership positions or industry working groups	14	15	13

- ♦ Metric has been assured by ERM CVS. See <u>Health for Humanity Goals Assurance</u>.
- ‡ See <u>PwC's Report of Independent Accountants and Management's Assertion and PwC's Report of Independent Accountants in previous Health for Humanity Reports.</u>
- 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 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.
- 3 Suppliers can be designated in multiple diverse categories and each are counted in each category for which the supplier qualifies. Total Tier 1 diverse supplier spend in the U.S. (billions) counts the spend with each supplier once. Spend with certain supplier demographic categories has changed in 2023 due to the separation of the Consumer Health business.
- 4 Tier 1 Diverse suppliers refers to third party certified or procurement approved minority-, women-, LGBTQ-, veteran-, service-disabled veteran-, and disability-owned companies that contract to provide goods or services directly to a corporation. Procurement approved suppliers are accepted based on recognized standards.
- 5 Definition of Tier 1 Veteran- and disabled veteran-owned supplier spend in the U.S. has been updated to include non-certified suppliers.

- 6 Small Business Spend is defined as spend with a US based small business enterprise that provides goods and/or services to a company. Supplier determines business size based upon the US Small Business Administration (SBA) size standards.
- 7 Total Global Impact Spend consists of: Tier 1 and Tier 2 diverse supplier spend globally, plus small business spend in the U.S.
  The Tier 1 diverse and small business overlap is removed to avoid double counting of the spend.
- 8 Tier 1 Diverse suppliers refers to women-owned (certified and self-registered), minority-owned (in countries where government definition of a minority exists), LGBTQ-owned, social enterprises (verified or procurement-approved to recognized standards) and Broad-based Black Economic Empowerment in South Africa (level 1 to 4 only).
- 9 Since Johnson & Johnson's induction to the Billion Dollar Roundtable.
- 10 A technical visit is a follow-up visit to the initial audit.
- 11 A critical finding is defined 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.
- 12 Excludes one Johnson & Johnson facility that opened in 2023 and closed in Q1 2024.
- 13 2022 figure is restated.
- 14 Figures as of March 2024.
- 15 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.
- 16 On August 23, 2023, Johnson & Johnson completed the separation of the Consumer Health business (Kenvue). The total taxes borne and collected by the Consumer Health business are not reflected in the 2023 Total Tax Contribution Statement.
- 17 The increase in corporate income taxes borne by Johnson & Johnson from 2022 to 2023 included a \$1.4 billion 2013-2016 IRS Audit cycle payment and an incremental increase of \$0.7 billion due to the sixth IRC Section 965 transition tax installment payment.
- 18 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.
- 19 OPDP: Office of Prescription Drug Promotion APLB: Advertising and Promotional Labeling Branch of the FDA Center for Biologics Evaluation and Research.
- 20 Johnson & Johnson Triage Committee and case investigators have the ability to change the issue type of the cases upon receipt in Our Credo Integrity Line. This occurred for no more than 16% in 2023. In 2023, Our Credo Integrity Line was inundated with inquiries and complaints associated with two separate social media campaigns against Johnson & Johnson. Each inquiry and complaint was reviewed to assess actual or potential misconduct requiring investigation. Upon review, it was determined these matters did not represent an actual or potential misconduct requiring investigation. Therefore, in order to avoid distortion of the statistics, these inquires, and complaints were omitted from the totals reported in 2023.
- 21 2022 and 2021 Product Quality Indicator retrospective data excludes Consumer Health.
- 22 Includes GCP, GLP, GMP and PV inspections.
- 23 Regulatory Classification: An action or communication alleging violations of a law or regulations in response to inspectional findings includes receipt of official correspondence indicating potential imminent regulatory action (such as Warning letter, Letter of Admonition, Non-Issuance or withdrawal of GxP or QMS certificate) or notice of product seizure.
- 24 Included in total regulatory inspections.
- 25 FDA Recall Removal: Recall where impacted product in the market is removed/returned; Recall Removal quantities are based on the calendar year that the recall was reported in the FDA Enforcement Report.
- 26 All Johnson & Johnson employees complete Code of Business Conduct training and are instructed how to proceed if they become aware of a product complaint or adverse event. Brand protection awareness is included in 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.



### Independent Assurance Statements

### Independent Limited Assurance Report to Johnson & Johnson Services, Inc. on Health for Humanity Goals

ERM Certification & Verification Services Incorporated ("ERM CVS") was engaged by Johnson & Johnson Services, Inc. ("J&J") to provide limited assurance in relation to the selected information set out below and presented in the Johnson & Johnson 2023 Health for Humanity Report (the "Report").

### **Engagement summary** Whether the 2023 selected information detailed below are fairly presented in the Report. in all material respects, in accordance with the reporting criteria. Reported progress against each Health for Humanity Goal: Vaccination Monitoring Platform: By 2025, enable global/open access to a vaccination monitoring platform for Global Health Security vaccination programs. Reduce Burden of Obstetric Fistula: By 2025, reach 10,000 women living with obstetric fistula by strengthening the capacity of health workers and supporting delivery of surgical repair. o Women in Management: By 2025, achieve 50% of women in management positions globally. Black/African Americans in Management: By 2025, achieve 6.8% Black and African American diversity in management positions in the U.S. Renewable Electricity: By 2025, source 100% of our electricity needs from renewable sources. Reduce Scope 1&2 Emissions (2030 Goal): Reduce absolute Scope 1&2 GHG emissions 44% by 2030, from a 2021 base year. Scope 3 Supplier Engagement (2028 Goal): 80% of J&J suppliers by emissions covering Purchased Goods and Services and Upstream Transportation and Distribution will have science-based targets by 2028. Scope of our Specified annual 2023 performance metrics: assurance Ethnic/Racial Diversity in Management: engagement • % ethnic/racial diversity in management positions within the U.S. (%) Women in STEM2D Number of girls who have participated in virtual or in-person activities led by

employees in partnership with nonprofit partners (no.)

Jobs supported through small and diverse suppliers (no.)

investment (no.) (as of 31 December 2023)

Economic impact from spend with small and diverse suppliers (billion USD)

Annual number of patients receiving access to bedaquiline molecule

 Number of healthcare professionals (HCPs) supported by Johnson & Johnson Impact Ventures (JJIV) portfolio companies since date of

Supply Chain Impact

Access to TB Treatment

J&J Impact Ventures

Global Impact Spend (USD)

(branded and generic) (no.)

 Number of patients reached by JJIV portfolio companies & funds since date of investment (no.) (as of 31 December 2023) VERMOX® Number of VERMOX® (mebendazole) doses donated (millions) Cumulative VERMOX® (mebendazole) doses donated since the start of the initiative through the WHO and private donations (billions) Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report. Cumulative (2021-2023): 1 January 2021 – 31 December 2023 Reporting period Annual (2023): 1 January 2023 – 31 December 2023 Health for Humanity Goals as defined in the Report. Reporting J&J Basis of Reporting as described in applicable footnotes within the Report. We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the **Assurance** International Auditing and Assurance Standards Board. standard and The procedures performed in a limited assurance engagement vary in nature and timing level of from and are less in extent than for a reasonable assurance engagement and assurance consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. J&J is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing, and maintaining of internal

controls relevant to the preparation and presentation of the Report.

ERM CVS' responsibility is to provide a conclusion to J&J on the agreed scope based on

our engagement terms with J&J, the assurance activities performed and exercising our

Respective

professional judgement.

responsibilities



#### Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the selected information for the disclosures listed under 'Scope' above are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

#### Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the selected information a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the selected information including review of the reporting principles, boundaries, definitions, and internal guidelines;
- Interviewing management representatives responsible for managing the selected issues;
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected information;
- Obtaining an understanding of the procedures performed by the internal audit department;
- Reviewing of a sample of qualitative and quantitative evidence supporting the selected information at a corporate level;
- A review of the GHG emissions and renewable energy data to confirm consistency with the findings of our separate GHG emissions and renewable energy assurance engagement;
- Reviewing the presentation of the selected information in 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 nature of some of the Health for Humanity Goals dependence on partner organizations to provide performance information, as well as the use of estimates, assumptions, and extrapolations in determining the selected information. It is important to understand our assurance conclusions in this context.

### Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to J&J in any respect.



Andrea Duque Partner, Corporate Assurance Malvern, PA May 28, 2024

On behalf of: ERM Certification & Verification Services Incorporated

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### Independent Limited Assurance Report to Johnson & Johnson Services, Inc on GHG & Air Emissions, **Electricity and Water Data**

ERM Certification & Verification Services Incorporated ("ERM CVS") was engaged by Johnson & Johnson Services, Inc ("J&J") to provide limited assurance in relation to the selected information set out below and presented in the J&J 2023 Health for Humanity Report; on healthforhumanityreport. jnj.com; and ESG Performance Data and Indices file (the "Reports"); as set out below.

### **Engagement summary**

Whether the 2023 data for the following selected disclosures are fairly presented in the Reports, in all material respects, in accordance with the reporting criteria.

### **GHG Emissions**

Metric	Units	Value
Scope 1 GHG emissions, total		320,104
Scope 2 GHG emissions, facilities - Location-based		467,934
Scope 2 GHG emissions, facilities - Market-based		122,776
Scope 3 GHG Emissions by source:		
Category 1 - Purchased goods and services		4,922,171
Category 2 - Capital goods		168,604
Category 3 - Fuel- and energy-related activities	metric tonnes	187,356
Category 4 - Upstream transportation and distribution	CO <sub>2</sub> e	700,249
Category 5 - Waste generated in operations	CO2E	5,267
Category 6 - Business travel		291,577
Category 7 - Employee commuting		164,482
Category 8 - Upstream leased assets		21,837
Category 11 - Use of sold products		111,399
Category 12 - End-of-life treatment of sold products		58,784

### **Energy**

Scope of our assurance engagement

Units	Value
%	87%
	100%
	100%

Metric	Units	Value
Total NOx emissions from facility combustion sources		28.0
Total SOx emissions from facility combustion sources		39.0
Hazardous air pollutant (HAP) emissions	motrio	43.5
Volatile organic compounds (VOC) emissions	metric tonnes	302.7
Particulate matter (PM) emissions		27.3
Refrigerant emissions		3.6
Ozone-depleting substances		0.06
Ozone-depleting substances	metric	
	tonnes of CFC-11	0.0033
		0.0055
	equiv.	

### <u>Water</u>

Metric	Units	Value
Total water withdrawn		7.3
Total water consumed	million m <sup>3</sup>	1.5
Total water recycled and reused	million m	0.4
Total water discharge		5.8
Water withdrawn in regions of high or extremely high baseline water stress	%	44%
Water consumed in regions of high or extremely high baseline water stress	70	57%

### Waste

Metric	Units	
Total waste generated		121,068
Total waste generated – hazardous	matria	57,259
Total waste generated – non-hazardous	metric tonnes	63,809
Total waste diverted from disposal	torines	100,510
Total waste directed to disposal		20,558

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Reports.

Reporting period 1st January 2023 to 31st December 2023

### Reporting criteria

- The GHG Protocol Corporate Accounting and Reporting Standard (WBCSD/WRI Revised Edition 2015) for Scope 1 and Scope 2 GHG emissions
- GHG Protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard (WRI 2015) for Scope 2 GHG emissions
- The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WBCSD/WRI 2011) for Scope 3 GHG emissions
- World Resource Institute Aqueduct Water Risk Atlas (4.0)
- J&J's reporting criteria as explained in J&J's footnotes in the Reports

# Assurance standard and level of assurance

We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Respective responsibilities

J&J is responsible for preparing the Reports and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Reports.

ERM CVS' responsibility is to provide a conclusion to J&J on the agreed scope based on our engagement terms with J&J, the assurance activities performed and exercising our professional judgement.

#### Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2023 data and information for the disclosures listed under 'Scope' above are not fairly presented in the Reports, in all material respects, in accordance with the reporting criteria.

#### **Emphasis of matter**

Without affecting our conclusion, we draw attention to the explanatory notes on page 58 of the J&J 2023 Health for Humanity Report referring to uncertainty around the estimation methodology applied to determine Total Water Recycled and Reused specific to one materially contributing site. These should be taken into account by users of the information.

### Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the selected information a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the selected information;
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures;
- Review of reporting boundary compared to J&J's internal reporting criteria.
- Performing an analytical review of the year-end data submitted by all locations included in the
  consolidated 2023 group data for the selected disclosures which included testing the completeness and
  mathematical accuracy of conversions and calculations, and consolidation in line with the stated
  reporting boundary;
- A review of estimates, extrapolations, and assumptions made concerning the data
- Evaluating the conversion and emission factors and assumptions used;
- Review of a sample of qualitative and quantitative evidence supporting the reported information at a corporate level;

- In-person site visits to three J&J sites (Barnahely, Ireland; Chihuahua, Mexico; and Raritan, United States) 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. Interviews with six J&J sites to review source data and local reporting systems and controls for specific metrics; and
- Reviewing the presentation of information relevant to the scope of our work in the Reports 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.

### Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to J&J in any respect.

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Andrea Duque
Partner, Corporate Assurance
Malvern, PA

May 31, 2024

On behalf of:

ERM Certification & Verification Services Incorporated <a href="https://www.ermcvs.com">www.ermcvs.com</a> | <a href="mailto:post@ermcvs.com">post@ermcvs.com</a>







### **Report of Independent Accountants**

To the Board of Directors of Johnson & Johnson

We have reviewed the accompanying management assertion of Johnson & Johnson that the sustainability metrics as of or for the year ended December 31, 2023 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.

The firm applies the Statements on Quality Control Standards established by the AICPA.

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 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 & Johnson's management assertion in order for it to be fairly stated.

Florham Park, New Jersey

Princevatechouse Coopers CCP

May 31, 2024



### Johnson & Johnson Management Assertion

### As of or for the Year Ended December 31, 2023

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, 2023 (the reporting year) for global operations, unless otherwise noted. Johnson & Johnson formally separated its consumer health business (now Kenvue) on August 23, 2023, Consumer health related data is not included in the 2023 disclosure. 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<sup>(a)</sup>

Metric Description	Metric Value (in millions)
Total products <sup>(b)</sup> and cash	\$4,337
Products <sup>(b)</sup>	\$3,862
Cash	\$475

- (a) Giving metric 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. Products also include free product provided directly to patients. Administrative costs incurred by Johnson & Johnson during the contribution process are also included in cash contributions (approximately 3% of the cash contributed).
- (b) Products 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, 2023, that Johnson & Johnson would sell to consumers in the market.
- (c) Our Giving includes the total amount of multi-year pledge expenses that were committed in 2023.

#### Diversity, Equity & Inclusion (DE&I)

Metric Description	Metric Value
Global Employees <sup>(a)(c)</sup>	
Total number of employees (b)	134,357 Women 67,670 Men 66,426 Declined to answer 261
Region <sup>(d)</sup>	Asia Pacific 24,378 Europe, Middle East & Africa 38,379 Latin America 23,539 North America 48,061

### Diversity, Equity & Inclusion (DE&I) continued

Metric Description

Metric Description	Metric Value
Gender Representation <sup>(a)(b)(c)(i)</sup>	
Region <sup>(d)(i)</sup>	Asia Pacific: Women 50.2% Men 49.9% Europe, Middle East & Africa: Women 50.7% Men 49.4% Latin America: Women 56.5% Men 43.5% North America: Women 47.3% Men 52.2% Declined to answer 0.5%
Employment type	Full-time employees: Women 64,774 Men 65,752 Declined to answer 235 Part-time employees: Women 2,896 Men 674 Declined to answer 26 Fixed-term employees: Women 1,428 Men 1,368 Declined to answer 9
Job category <sup>(d)(g)(j)</sup>	Vice Presidents: Women 42.2% Men 57.1% Declined to answer 0.7% Directors and Managers: Women 49.4% Men 50.5% Declined to answer 0.2% Professionals: Women 52.0% Men 47.8% Declined to answer: 0.2%
Management and executive positions <sup>(g)</sup>	Women in management positions 49.2% Women on the Executive Committee 36.4%
Diversity in Board Composition	
Diversity in Board Composition <sup>(f)</sup>	Women 46.2% Ethnic/Racial Diversity 30.8%
Global Age Diversity	Under 30 17.5% 30-50 61.6% 51+ 20.9%
Age Diversity <sup>(e)</sup> by Job Category <sup>(a)(c)(d)(g)</sup>	
Vice Presidents	Under 30 0.0% 30-50 42.9% 51+ 57.1%
Directors and Managers	Under 30 1.3% 30-50 70.4% 51+ 28.3%



### Diversity, Equity & Inclusion (DE&I) continued

Metric Description	Metric Value	
Professionals	Under 30 24.6% 30-50 58.4% 51+ 17.1%	
Ethnic/Racial Diversity in the U.S.	White 61.2% Asian 16.2% Black/African American 7.5% Hispanic/Latino 9.9% Other 2.6% Declined to Answer 2.7%	
Ethnic/Racial Diversity <sup>(b)</sup> in the U.S. by Job Category <sup>(a)(c)</sup>	)(d)(g)	
Vice Presidents	White 67.1% Asian 13.9% Black/African American 7.7% Hispanic/Latino 7.4% Other 1.9% Declined to Answer 2.1%	
Directors and Managers <sup>(j)</sup>	White 61.6% Asian 19.8% Black/African American 6.4% Hispanic/Latino: 8.0% Other 2.4% Declined to answer 1.8%	
Professionals	White 60.7% Asian 13.7% Black/African American 8.2% Hispanic/Latino 11.3% Other 2.8% Declined to answer 3.3%	
New Employee Hires <sup>(h)</sup>		
Total number of new hires	18,193	
Region <sup>(d)(i)(j)</sup>	Asia Pacific 18.9% Europe, Middle East & Africa 19.1% Latin America 26.9% North America 35.2%	
Gender representation (b)	Women 51.4% Men 47.6% Declined to answer 1.0%	
Age <sup>(e)</sup>	Under 30 43.1% 30-50 49.4% 51+ 7.4% Declined to answer 0.1%	

- (a) Global Employees is the global employee headcount as of December 31, 2023 from Johnson & Johnson's Human Resource Information System (HRIS). "Employee" is defined as an individual working full-time or parttime, excluding fixed-term employees, interns and co-op employees. Fixed-term employees is defined as employees with a contract for a limited period that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed. Fixed-term contracts make up less than 5% of total employees plus individuals on fixed-term contracts. 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 excluded.
- (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, 2023. Other is defined as employees who selfreported as American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, or two or more races.

- 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, 2023.
- (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.
- (f) 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 March 2024.
- (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 December 31, 2023.
- (h) New employee hires are external hires with a start date between January 1, 2023 and December 31, 2023 obtained from HRIS.
- (i) Where the value for "Declined to answer" is rounded to zero and was zero in the prior year, it was excluded from the reported table.
- 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.
- (k) Self-identification of employees is performed as of November 9, 2023.

### **Employee Retention and Turnover**

Metric Description	Metric Value
Overall voluntary turnover <sup>(a)</sup>	7.4%
Voluntary turnover <sup>(d)</sup> of high performers <sup>(b)</sup>	3.5%

- (a) 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 terminations due to retirement and death are excluded.
- (b) High performer is defined as an individual with two consecutive annual performance ratings of Exceptional/Exceptional, Exceptional/Strong, or Strong/Exceptional (note that "exceptional" is one out of four possible dimension ratings.) Employees 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 <sup>(c)(d)</sup>	Global 0.07 Asia Pacific 0.09 Europe, Middle East & Africa 0.07 Latin America 0.04 North America 0.07
Total Recordable Injury rate <sup>(e)</sup>	Global 0.28 Asia Pacific 0.21 Europe, Middle East & Africa 0.27 Latin America 0.07 North America 0.33
Serious Injuries and Fatalities <sup>(f)</sup>	Global 1 Asia Pacific 0 Europe, Middle East & Africa 0 Latin America North America 1
Number of fatalities	Global 0

Includes data as of December 31, 2023 and hours worked in the reporting year. More recently acquired sites (i.e., owned less than two years as of December 31, 2023) are excluded from employee safety metrics, with the exception of Abiomed which is included in the metric.



- (b) Lost Work Day Case (LWDC) rate, Total Recordable Injury (TRIR) rate, Serious Injuries and Fatalities (SIF) 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. Reported illness/injury rates exclude COVID illness cases.
- (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.
- Serious Injury or Fatality (SIF) is defined as a Life-Threatening (work-related injury or illness that required immediate life-preserving rescue action, and if not applied immediately would likely have resulted in the death of that person), Life-Altering (work-related injury or illness that resulted in a permanent and significant loss of a major body part or organ function that permanently changes or disables that person's normal life activity), or fatal event.

### Compliance-Related Allegations Investigated Through Triage Committee (a)

Metric Description	Metric Value
Number of compliance-related allegations investigated	1,016
Percentage of compliance-related allegations investigated, by category	Healthcare compliance <sup>(a)</sup> 67% Financial <sup>(b)</sup> 25% Other <sup>(c)</sup> 8%

- (a) Compliance-related allegations can be filed by internal or external parties. Allegations meeting the internal escalation criteria are categorized, presented to, logged and recorded by the Johnson & Johnson Triage Committee within Johnson & Johnson's sensitive issue case management system. These matters are assigned by the Johnson & Johnson Triage Committee to the appropriate parties for investigation. Internal escalation criteria includes actual or alleged (i) non-compliance 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) government 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. Health care compliance-related allegations consist of violations of Health Care Compliance guidelines including U.S. Foreign Corrupt Practices Act (FCPA) violations.
- (b) Financial compliance-related allegations consist of asset misappropriation, conflicts of interest and financial statement-related.
- (c) 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)	87
Fines paid for environmental non-compliances(a)(b)(c) (thousands)	\$7.9
Number of manufacturing and R&D sites certified to ISO 14001 <sup>(d)(e)</sup>	57
Number of manufacturing and R&D sites certified to ISO 45001 <sup>(d)(e)</sup>	14
Percentage of manufacturing and R&D sites certified to ISO 14001 <sup>(d)(e)</sup>	89%
Percentage of manufacturing and R&D sites certified to ISO 45001 <sup>(d)(e)</sup>	21%

- 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.
- (b) Environmental non-compliances and fines paid exclude newly acquired sites (i.e., owned less than two years as of December 31, 2023).
- (c) 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, 2023.
- (d) Certified to ISO 14001 or ISO 45001 means the site has received an external certification that is valid as of December 31, 2023.
- e) 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, 2023).

### **Product Quality Indicators**

Metric Description	Metric Value
Number of regulatory inspections <sup>(a)</sup> of Johnson & Johnson sites by worldwide health authorities <sup>(b)</sup>	395
Percentage of regulatory inspections(a) that did not result in a regulatory classification (b)	99.75%
Number of FDA inspections of Johnson & Johnson sites <sup>(c)</sup>	15
Number of form 483's issued	5
Number of independent audits of Johnson & Johnson sites to ensure compliance with Johnson & Johnson Quality Policy and Standards <sup>(d)</sup>	132
Number of independent audits of external manufacturing sites <sup>(e)</sup> to ensure compliance with Johnson & Johnson Quality Policy and Standards <sup>(d)</sup>	221
Number of FDA warning letters issued	1
FDA Class I recall removals <sup>(f)</sup> , by business segment	Innovative Medicine 0 MedTech 1
FDA Class II recall removals <sup>(f)</sup> , by business segment	Innovative Medicine 0 MedTech 10

- (a) A regulatory inspection is defined as an inspection conducted by the health authority to determine compliance with applicable laws and regulations. Includes GCP, GLP, GMP and PV inspections. Included in total regulatory inspections.
- (b) 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. Regulatory Classification: An action or communication alleging violations of a law or regulations in response to inspectional findings includes receipt of official correspondence indicating potential imminent regulatory action (such as Warning letter, Letter of Admonition, Non-Issuance or withdrawal of GxP or QMS certificate) or notice of product seizure.
- (c) 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 FDA Form 483 is issued during inspections with findings conducted by the FDA and then provided to the manufacturer following the FDA inspection.
- (d) Independent audits are conducted by internal Johnson & Johnson Regulatory Compliance auditors at Johnson & Johnson sites and external manufacturing sites.
- (e) An external manufacturing site is defined as not owned or operated by Johnson & Johnson.



(f) FDA Recall Removal: Recall where impacted product in the market is removed/returned; Recall Removal quantities are based on the calendar year that the recall was reported in the FDA Enforcement Report.

### **Our Credo Survey Results**

Metric Description	Metric Value
Number of languages Our Credo Survey is made available in <sup>(a)</sup>	36
Number of countries Our Credo Survey is administered in <sup>(a)</sup>	76
Response rate (among all eligible employees) <sup>(a)(b)</sup>	94%
Increase in participation compared to 2022 (among all eligible employees)	2%
Favorability rate <sup>(a)(b)(c)</sup>	84%
Percentage agreed with the statement: Ensures our first responsibility is to the patients, doctors and nurses, mothers and fathers, and all others who use our products and services (a)(b)(c)	92%
Percentage agreed with the statement: Provides an inclusive work environment where each employee is considered an individual. <sup>(a)(b)(c)</sup>	85%

- Johnson & Johnson conducts the Our Credo Survey annually to track employee sentiment globally. Our Credo Survey data is collected and stored in a secure third-party platform.
- (b) Eligible employees include Johnson & Johnson employees as of December 31, 2023 who completed the 2023 Our Credo Survey, excluding contractors, interns, and co-op employees, employees on leave, and employees that have been with Johnson & Johnson for less than three months before the survey began.
- (c) The favorability rate is calculated by determining the percentage of "agree" or "strongly agree" responses out of all responses to Our Credo Survey questions. Response options include: strongly disagree, disagree, neither agree or disagree, agree, strongly agree. Employees may also answer "do not know" but these responses are excluded from the favorability calculation.

### Tax Contribution (Billions)

Metric Description	Taxes Borne Metric Value <sup>(a)</sup>	Taxes Collected Metric Value <sup>(a)</sup>
Corporate income tax	\$8.3	-
Payroll & social insurance taxes(b)(c)	\$1.5	\$4.6
Sales/use & other taxes(b)(d)	\$0.8	\$1.2
Total	\$10.6	\$5.8
Total tax contribution(e)	\$16.4	

- (a) Taxes Borne are a direct cost to the Company. 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. Taxes collected are collected from customers and employees on behalf of governments and ultimately remitted to them.
- (b) Payroll & social insurance and sales/use & other taxes are calculated based on data collected for 40 major markets that represent approximately 98% of total 3rd party and intercompany sales recorded for the market. These taxes are not reported for the remaining markets that represent approximately 2% of total 3rd party and intercompany sales recorded for the market.
- (c) Payroll & social insurance taxes borne represent taxes paid directly by the Company, whereas taxes collected represent amounts withheld from employees for federal (local country government), state and social contribution taxes as well as contingent labor taxes collected.

- Sales/use & other taxes borne include sales, use, property tax and non-recoverable value-added tax as well as other taxes comprising customs and other duties and pharmaceutical fees imposed by the government on legal entities within the pharmaceutical industry for prescription drugs. Taxes collected include net of output and input value-added tax ("VAT") and sales tax collected.
- (e) Total tax contribution is made up of two components: total taxes borne by the Company and total taxes collected.



## Glossary

AFib	Atrial fibrillation
Al	Artificial intelligence
AMR	Antimicrobial resistance
APAC	Asia Pacific
API	Active pharmaceutical ingredient
CAR or CAR-T	Chimeric antigen receptor or Chimeric antigen receptor T-cell
CDP	Global nonprofit for environmental impact disclosures. Formerly Carbon Disclosure Project
CHW	Community Health Worker
DEI	Diversity, equity and inclusion
DR-TB	Drug-resistant tuberculosis
EMEA	Europe, Middle East and Africa
ERG	Employee Resource Group(s)
ERP	Enterprise resource planning
ESG	Environmental, social and governance
FDA	U.S. Food and Drug Administration
GHG	Greenhouse gas or gases
НСР	Healthcare professional(s)
IA	Intelligent automation
IP	Intellectual Property
JJDC	Johnson & Johnson Innovation—JJDC, Inc.
JLABS	Johnson & Johnson Innovation—JLABS
LAI	Long-acting injectable
LGBTQIA+	Lesbian, gay, bisexual, transgender, queer or questioning, intersex, asexual and others
LMICs	Low- and middle-income countries
MBE	Minority Business Enterprise
MDR-TB	Multidrug-resistant tuberculosis
ML	Machine learning
NGO	Non-governmental organization(s)
NTDs	Neglected tropical diseases
OR	Operating Room

ORTHE	Our Race to Health Equity
PPA	Power Purchase Agreement(s)
PTA	Priority Topics Assessment
RWD	Real-world data
RWE	Real-world evidence
SDG	Sustainable Development Goal (of the United Nations)
SEC	U.S. Securities and Exchange Commission
SSP	Supplier Sustainability Program
SME	Small and Medium-sized Enterprise
STEM <sup>2</sup> D	Science, Technology, Engineering, Mathematics, Manufacturing and Design
ТВ	Tuberculosis
TJ	Terajoules
UHC	Universal Health Coverage
WHO	World Health Organization
WBE	Women Business Enterprise

### **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 and business strategy. The reader is cautioned not to rely on these forwardlooking 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. A list and descriptions of risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, 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.jnj.com or on request from Johnson & Johnson. Any forward-looking statement made in this Report speaks only as of the date of this Report. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments. Third-party trademarks used herein are trademarks of their respective owners.



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