

Report Summary

# 2018 Health for Humanity Report

Progress in Citizenship & Sustainability



*Johnson & Johnson*

## Statement from Chairman & CEO

### Dear Johnson & Johnson Stakeholders,

2018 marked a meaningful anniversary for our Company.

Seventy-five years ago, we enshrined one of our most enduring values into Our Credo: to put the needs and wellbeing of those we serve first. By always prioritizing those we serve — something we've done since our founding — we've grown from a purveyor of surgical dressings to the largest broadly based healthcare company in the world.

At Johnson & Johnson, we believe we're uniquely positioned to bring together science, people, technology and the ideas needed to profoundly change the trajectory of health for humanity. That scale and reach come with a huge sense of responsibility — every decision we make can have an enduring impact across the globe.

Our 2018 Health for Humanity Report is an invitation for you to experience the work we do. You'll see how our ethos of results, transparency and accountability runs through our key focus areas: better health for the whole world, investing in our people, responsible business practices and safeguarding the environmental health of our planet. Living by these values is how we've helped to address some of the greatest healthcare needs in modern history while delivering long-term value for all the stakeholders we serve.

The stakes continue to get higher. A rising middle class, now in the billions around the globe, is demanding quality, accessible healthcare in unprecedented ways. Our increasingly aging population is redefining

standards of care. Scientific advances and technological disruption give us the opportunity and means to constantly innovate. And the health impacts of climate change provide the urgency for more action.

At Johnson & Johnson, we know that meeting those challenges head on means addressing disease along the entire continuum of health: from prevention to interception to cure. We're making great progress on our preventive HIV and Ebola vaccines. As a committed partner in the global fight against tuberculosis (TB), we're delivering on our Health for Humanity 2020 Goal to treat the disease by increasing access to our multidrug-resistant TB therapy, bedaquiline.

You can also see our commitment to expanding access in our second annual Janssen U.S. Transparency Report. It details all the ways we're working to secure and expand patient access while leading in our commitment to visible, accountable and responsible drug pricing practices in the United States. Globally, we make the same commitment to expand access and it helped land us a #3 position on the Access to Medicine Index.

We recognize that we cannot solve all the pressing healthcare challenges alone and are proud to work in close partnership with healthcare organizations around the world. In sub-Saharan Africa, for example, we're piloting a series of collaborations to create an affordable, scalable quality care model for the treatment of severe mental illness. That same collaborative spirit informs much of our philanthropic investment. Take our historical support of workers at the front

lines of healthcare. This year, we expanded that commitment by joining the Health for All alliance to ensure that 450,000 frontline healthcare workers around the world get the training they need.

However, none of these achievements would be possible without our incredible global workforce. As part of our 75th anniversary enhancement of Our Credo, we emphasized our commitment to always creating a diverse culture of respect, inclusion and belonging. And, as always, we continue our push to have one of the healthiest workforces in the world by supporting our employees with everything from best-in-class health programs to investing in their personal and professional growth.

Putting the needs of those we serve first also means protecting our shared environment and natural resources. Our Consumer business segment joined 240 other organizations in the New Plastics Economy Global Commitment to tackle the urgent environmental challenge of plastic waste. This initiative expands upon our broader organizational commitment to advance environmental sustainability in our own operations and in our supply base.

To ensure we're always investing for the future and keeping the long-term view, we're participating in important initiatives like the Embankment Project for Inclusive Capitalism, CECF's Strategic Investor Initiative and the U.S. Business Roundtable. With these expert partners, we're helping to shift the conversation in the financial markets toward a long-term view and measurement of the value to society that a business like ours creates.



Alex Gorsky meeting with employees on his visit to Australia.

Our Health for Humanity Report demonstrates how we've used our history of innovation to change the health and wellbeing of everyone we serve. Our unique mix of talent, know-how and values is how we'll change the world — not just as leaders in healthcare, but also as global citizens and champions of transforming lives and communities.

In the meantime, we recognize there is always more to do, and we welcome the challenge to make sure we're even more sustainable, innovative and responsible moving forward.

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

**Alex Gorsky**

Chairman, Board of Directors  
and Chief Executive Officer

## Sustainability Approach



At Johnson & Johnson, we blend heart, science and ingenuity to profoundly change the trajectory of health for humanity. This aspiration includes positively impacting patients and all others who use our products, as well as the health of our employees, our communities and the planet. We seek to provide solutions for some of the world's most pressing global public health challenges and work collectively — within our walls and externally with partners — to advance better health for all. Our citizenship and sustainability approach is inextricably linked to our vision of a world where a healthy mind, body and environment are within reach for everyone, everywhere. It's based on:

- Continuing to raise the bar for ourselves by setting five-year public commitments to both improve our performance and demonstrate leadership across environmental, social and economic topics relevant to our business;
- Measuring our transparency about our progress against public commitments;
- Continuing to strengthen our governance of citizenship and sustainability activities across the Enterprise;
- Conducting periodic Priority Topics Assessments to ensure that in the ever-changing business environment we prioritize and focus on issues that are relevant to our stakeholders and can impact our business;

- Engaging with our stakeholders to understand and address their views and expectations.

We focus our citizenship and sustainability efforts where we believe Johnson & Johnson can achieve the greatest impact by leveraging the power of our people, expertise and global partnerships.

Our **Health for Humanity 2020 Goals** are aligned with our Company's purpose and reflect the areas where our stakeholders expect us to lead. We believe that achieving these goals is integral to Johnson & Johnson's long-term success, and we consider them to be the Key Performance Indicators of our citizenship and sustainability approach. Johnson & Johnson is also committed to supporting implementation of the United Nations Sustainable Development Goals through both our Health for Humanity 2020 Goals and a **separate set of commitments** across five key issue areas where we are uniquely positioned to create sustainable and scalable impact.



### More Resources

Learn more about our progress in citizenship and sustainability in our full 2018 Health for Humanity Report →

Watch our 2018 Health for Humanity Report Year in Brief Highlights Video →

Review the Health for Humanity 2020 Goals Progress Scorecard →

Review our UN SDGs Progress Scorecard and Sustainable Development Goals webpage →

## 2018 Year in Brief

### Highlights of the year

SYMTUZA (darunavir, cobicistat, emtricitabine, and tenofovir alafenamide), **the first and only complete** darunavir-based single-tablet regimen to treat HIV-1 approved by the U.S. FDA

Advanced development of a **revolutionary CAR-T therapy** for multiple myeloma

Celebrated Our Credo  
**75<sup>th</sup> Anniversary**

**#3** on Access to Medicines Index

**Broader use of bedaquiline** to treat MDR-TB patients recommended by the World Health Organization

Johnson & Johnson Consumer Inc. joined the **New Plastics Economy Global Commitment**

Launched a pilot program in Rwanda to **improve access to mental healthcare**

Launched new **JOHNSON'S Baby**

Expanded partnership with UNICEF with a **\$10 million pledge**

### Impact made

#### Our Patients & Consumers

**38,994**

patients provided access to MDR-TB treatment

**51,503**

patients provided access to HIV treatment

#### Our Employees

**16,343**

employees trained in the principles of ENERGY FOR PERFORMANCE

**44.2%**

of Manager and above talent movement that was across function, country or sector lines\*

#### Our Communities & Planet

**104,479**

health workers educated in 67 countries

**31%**

electricity use from renewable energy sources

#### Our Shareholders

**56**

consecutive years of dividend increases

**\$10,775M**

invested in R&D

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

## Better Health for All – World Without Disease

As a global healthcare leader, Johnson & Johnson is at the forefront of addressing the world's most intractable diseases. In 2018, we advanced actions to reduce the burden of prominent diseases and are on track against our published targets, advancing better health for adults and children around the world.

### Making HIV History

We continued our advances on several fronts to combat the spread of HIV and, more importantly, to eliminate the disease through an investigational preventive vaccine. In 2018, we embarked upon our Imbokodo study — a historic Mosaic-based Preventive Vaccine Regimen for HIV study — in five southern African countries in an effort to identify mechanisms to prevent the spread of HIV and lead the way to developing a global vaccine effective against the multiple strains of the virus. We advanced several programs and partnerships in different countries to increase access to HIV treatment or raise awareness. An example is “DREAMS, Thina Abantu Abasha,” which we launched in South Africa as a youth-led initiative aimed at empowering youth to substantially reduce the rate of HIV infections.

### Eradicating Tuberculosis

In 2012, Johnson & Johnson brought forward SIRTURO (bedaquiline), the first novel TB antibiotic in nearly half a century. Since then, we have partnered extensively in high-burden countries to provide access to and ensure appropriate use of our treatment, and to raise awareness about TB more broadly. In 2018, we announced a

**“ We are in a golden age in HIV vaccine science. Currently we are exploring two different active HIV vaccine strategies as well as evaluating whether a trial using neutralizing antibodies can protect against HIV. In the next four years, we have the potential to change the game, and bring valuable tools to the public to protect communities from HIV.”**

Professor Glenda Gray  
President & CEO of the South African  
Medical Research Council (SAMRC)  
and Protocol Chair of the  
Imbokodo study

10-year initiative, with the goal of saving an estimated 1.8 million lives and preventing 12 million new infections, working with partners to improve detection of undiagnosed cases of TB, broaden access to bedaquiline and accelerate R&D to discover next-generation TB treatments.

### Combating Neglected Tropical Diseases

We continue to target resources to combat Neglected Tropical Diseases (NTDs) through R&D, product donations and partnerships. To facilitate additional research, Janssen shares 80,000 chemical compounds from its molecular library with the global research community to help collaborators accelerate treatment and

prevention of TB, malaria, NTDs, and other diseases common in the developing world. We have met our commitments of donating 200 million doses annually and developing a new chewable, child-friendly formulation of mebendazole to treat soil-transmitted helminthiasis or intestinal worms. We continued our work to address dengue.

### Transforming Mental Healthcare

In August 2018, we entered into a comprehensive partnership with the Rwanda Ministry of Health to strengthen and expand access to quality mental healthcare in that country, supporting research, improving affordability and availability of essential medicines to treat schizophrenia, and building capacity in mental healthcare to more accurately diagnose and treat patients. We also engaged in several other initiatives to address mental health.

### Global Health Security & Preventing Pandemics

In 2018, we announced that Janssen Vaccines & Prevention will participate in a new collaboration with the UK government and multiple partners from academia and industry that will result in the UK's first-ever dedicated Vaccine Manufacturing and Innovation Centre. Our work on new prevention, treatment and care solutions for pandemic influenza, Ebola, Zika and malaria continued through 2018.



### Overcoming Antimicrobial Resistance

We are working on multiple fronts to fulfill our Antimicrobial Resistance (AMR) Roadmap commitments. We currently provide 22 antimicrobial medicines (including antiviral medicines) in 114 countries, of which seven are listed on the World Health Organization's Model List of Essential Medicines. Much of our work is focused on multidrug-resistant tuberculosis (MDR-TB), given our long legacy of fighting TB and as MDR-TB alone accounts for a third of AMR-related deaths.

# Better Health for All – Access, Innovation & Community Health

“ Johnson & Johnson has been consistently a leader in the last four Access to Medicine Indices, bringing forward valuable treatments in areas such as TB and recently addressing mental health in low- and middle-income countries. Its Global Public Health Unit is a model among the industry on access planning and results for several therapeutic areas, constantly challenging itself to do more. As a company with a strong R&D pipeline and a global network capable of further addressing the needs of those in the most challenging countries, we encourage Johnson & Johnson to take even more action.”

Jay Iyer  
Executive Director, Access to Medicine  
Foundation

## Enhancing Access to Healthcare

As the world’s largest healthcare company, we are committed to improving access to our innovative medicines, vaccines, devices and diagnostics in all markets. We continue to uphold our access-driven pricing strategies, and Janssen publishes an annual [U.S. Transparency Report](#) describing how we invest our resources, price our medicines, and help people who

need Janssen medicines get access to them in the United States. We also prioritize helping patients gain access to information and solutions that can improve adherence to treatment regimens and co-creating treatment solutions that meet their needs.

## Innovating For Better Health

We innovate for better health by combining a strong internal focus on R&D with strategic external partnerships that emphasize local solutions to meet different healthcare needs across the world. We fuel innovation through hiring top scientists and medical and technology experts to advance our product pipeline, investing in our four global Innovation Centers, accelerating innovation through JLABS, our network of open innovation health sciences incubators, and managing our corporate venture fund in the life sciences industry.

Innovation extends beyond products — for example, to digital tools to support patients in clinical trials and connected health technology innovation that empower patients, caregivers, and providers.

## Strengthening Health Systems

We support global Universal Health Coverage and advanced several actions in 2018 to help make this become reality. We maintain a range of partnerships, in most cases funded by grants through our Johnson & Johnson Foundation, that help engage young people in science and nursing or midwifery education. In 2018, we also continued initiatives to further the adoption of a value-based care approach, including supporting ongoing debate through dedicated forums in Singapore.

## Contributing to Community Health

Our Credo defines the concept that “We are responsible to the communities in which we live and work and to the world community as well.” At Johnson & Johnson, we fulfill this obligation by actively engaging in our communities across the globe. We support the people at the front lines of delivering care, so that communities can more effectively address the health needs of the world’s most vulnerable people. Our giving, products, innovation, and business initiatives help create a better world and environment for people around the globe.

Our programs, platforms and solutions are developed through global leadership and regional and country-level colleagues to meet community needs while aligning with enterprise-wide priorities where Johnson & Johnson has unique knowledge and skills to make a difference.

We mobilize partners for the benefit of our communities through partnership, financial support, activation of our large employee base and advocacy for priority health issues. We work with our community partners in a collaborative spirit, based on mutual trust and aligned values.

Our employees are actively involved in volunteering in our community initiatives, as well as participating in other community engagement programs.

We also support international relief partners and local affiliates with consumer, pharmaceutical, and medical products in times of disaster.

## Accelerating Innovation Through JLABS

- JLABS has supported over 450 companies over more than 6 years, a 44% increase in 2018 over 2017
- \$11.6 billion in financing secured in 2018 (23% more than in 2017)
- 12 companies now publicly traded
- 88% of JLABS companies are currently in business or acquired

## Our People

**“Our culture is rooted in the values embodied in Our Credo, which calls on us to support our employees across their whole lives — spiritual, mental, physical and financial. Guided by this principle, we provide thousands of individuals with the opportunity to build a varied and diverse career across the full spectrum of human health and the opportunity to help advance our purpose of changing the trajectory of health for humanity.”**

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

We owe our success to the thousands of Johnson & Johnson employees who are passionate about our mission to change the trajectory of health for humanity. People join Johnson & Johnson to build a purpose-driven career that makes a difference; they stay with us to help create healthier lives and improve the wellbeing of those we serve in our communities around the world. In 2018, we drove several programs to engage, empower and inspire our employees, and to help them develop personally and professionally. We also

created opportunities to help employees improve their health and wellbeing and to stay safe at work.

### Attracting the Most Talented People

To continue to attract and retain the best and most diverse people, we launched the [Hire.jnj.com](http://Hire.jnj.com) platform globally in 2018, providing data-driven analytics and innovative tools as the basis for a faster, transparent, more agile process for hiring candidates.

### Creating Unique Career Opportunities

Our development programs include on-the-job training, online courses, workshops and other experiential training. In 2018, we launched a global personal development platform called MyDevelopment to help employees build a healthy career. We also delivered critical new learning resources through our on-demand, digital platform, Leadership Navigator, to raise the performance and skill level of our people leaders around the globe.

### Engaging, Empowering & Inspiring

In 2018, Johnson & Johnson marked the 75th anniversary of Our Credo and engaged employees in activities centered on opportunities to better live Our Credo through daily actions. More than 30,000 employees around the world participated

in the first annual Credo Day celebration and brought the Credo spirit to their local communities.

We continued our popular TEDxJNJ events where Johnson & Johnson employees share personal or professional stories as a source of inspiration for others. In 2018, we held 20 TEDxJNJ events across 13 countries, bringing our total to date to 76 events in 19 countries.

We continued to engage our employees in our communities, for example, our [Global Pro Bono](#) program expanded to 21 participants, who shared their skills to help seven nongovernmental organizations in Latin America better reach their goals.

### Advancing Diversity & Inclusion

To demonstrate our commitment and progress in advancing diversity and inclusion as part of our DNA at Johnson & Johnson, we launched a campaign to showcase the inclusive Johnson & Johnson community to internal and external audiences. Learn more [here](#).

### Providing Safe Workplaces

We held our first-ever enterprise-wide Safety Month to provide a focused period of awareness, education and collaboration for improved safety practice, engaging from across the Company in our offices, in the field, in a lab, or on the production floor.



### Championing Health & Wellness

With HealthForce 2020, our integrated program to support healthy choices and healthier lives, we continue to promote ENERGY FOR PERFORMANCE training for all employees. Our HEALTHY & ME digital health app is available to most of our employee population in 72 countries and in 16 languages.

In 2018, we announced a new global employee exercise-program reimbursement to help cover the cost of fitness center membership fees or other exercise activity.

**Partnered with 230 organizations to advance the training, skills-building and leadership development of 104,479 of health workers**

**6,327** Midwives    **37,352** Nurses    **in 67** Countries

## Responsible Business Practices

“JOHNSON'S fragrances are designed specifically for delicate and sensitive skin, so we design products to avoid harsh ingredients and well-known fragrance allergens. Our baby fragrances have been reviewed by both independent groups and safety experts — and for the first time are all listed on the JOHNSON'S website.”

Homer Swei  
Director of Product Stewardship  
Johnson & Johnson Consumer Inc.

Responsible business practices serve as the foundation of our Company's success and are imperative to protecting the broader healthcare system and the communities in which we live and work.

### Product Quality, Safety & Reliability

We maintain a proactive quality excellence culture throughout the Enterprise, underpinned by our enterprise-wide **Quality and Compliance Core Objective** and supported by training, monitoring, risk assessments and audits. In 2018, we maintained and reinforced our quality programs. We also enhanced product safety processes, leveraging the power of big data and analytics to support informed

decision making on treatments. We invest in a strong anti-counterfeiting and brand protection strategy to protect our customers and patients from the impact of illicit trade.

We improved transparency in consumer products — for example, we redesigned all our JOHNSON'S washes, lotions and haircare products and reduced the number of ingredients in our portfolio by more than 50%, disclosing 100% of the ingredients in these products.

### Ethics & Transparency

The Code of Business Conduct and Health Care Compliance policies set forth our Company's values, which apply to all employees worldwide. We take a strong stance against bribery and our policies follow recognized anti-bribery and anti-corruption laws and regulations. Our **Credo Hotline** offers a secure channel for anonymous reporting and serves as our anonymous whistle-blowing mechanism, providing a conduit for all to report potential violations. In 2018, we updated our **Statement on Human Rights** following a rigorous internal review process.

### Responsible Supply Base

**Our Responsibility Standards for Suppliers** set forth the expectations we have of all Johnson & Johnson suppliers. We continue to evolve our processes to monitor supplier compliance with these Standards, using a risk-based approach through assessments and on-site audits. In 2018, we achieved our annual target of enrolling 61% of our



suppliers, representing our top spend in our Sustainable Procurement Program. We are also active promoters of supplier diversity — for example, in more than 20 countries, we partner with WeConnect International, a global network supporting women-owned businesses.



## Environmental Health



### Energy & Carbon Efficiency

We focus our energy and carbon efficiency work on three main areas: reducing energy demand and maximizing energy efficiency in our operations; shifting to low-carbon and renewable energy sources to meet the remaining demand; and improving our influence over emissions in our value chain. Our science-based Scope 1 and Scope 2 absolute GHG emission reduction targets commit us to ambitious reductions through 2050. We are continuously developing our investment and operations towards our aspiration of powering 100% of our facilities with renewable energy by 2050, while advancing green building certification for new buildings and renovations. Among others, we achieved LEED Platinum and Gold certifications in China and Colombia in 2018.

### Waste & Water Management

At Johnson & Johnson, we aim to minimize our impacts on the planet through responsible use of water and minimizing waste generation at source, while increasing sustainable management of waste. We measure water risk with our proprietary risk assessment model for water stress. In 2018, we implemented several initiatives at our plants to systematically avoid waste or reduce waste to landfill.

### Product Sustainability

In 2018, Johnson & Johnson Consumer Inc. became a signatory to the [New Plastics Economy Global Commitment](#), thereby committing to use more recycled materials in packaging, reduce reliance on single-use packages, and ensure that 100% of

**“ With this decision to accelerate our sustainability goals, Johnson & Johnson Consumer Inc. is acknowledging the ever-increasing urgency of the issue of plastic waste — and our own responsibility to work towards innovative solutions. ”**

Paulette Frank  
Worldwide Vice President,  
Environmental Health, Safety &  
Sustainability  
Johnson & Johnson

The label helps make recycling easier by providing specific instructions on how each product can be recycled.

plastic packaging be reusable, recyclable or compostable via design, partnerships, and investments by the year 2025.

EARTHWARDS is our approach for encouraging the development of more sustainable products. Focusing on the lifecycle areas with the highest potential impact, we prioritize improvements for the largest possible impact reduction. When a product achieves at least three significant improvements across our seven impact areas, a board of external experts determines if it warrants EARTHWARDS recognition.

Johnson & Johnson Consumer Inc. also adopted the How2Recycle label, starting with many of our JOHNSON'S products, including baby lotion, baby shampoo and baby wash.



## **2018 Health for Humanity Report**

Progress in Citizenship & Sustainability

### Contact us

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Front Cover: Every day 1,000 adolescents girls and young women are infected with HIV in sub-Saharan Africa, having a disproportionate impact on their lives and preventing them from fulfilling their potential. That's why we launched DREAMS Thina Abantu Abasha (Zulu for 'We the Youth'), a youth-led and implemented peer-to-peer program, with PEPFAR and UNFPA in some of the worst HIV hotspots to reduce HIV infections among girls 15 – 24 years old. This is part of our longstanding Company-wide commitment to make HIV history. Learn more at [www.jnj.com/hiv](http://www.jnj.com/hiv). Photo by Jonathan Burton.