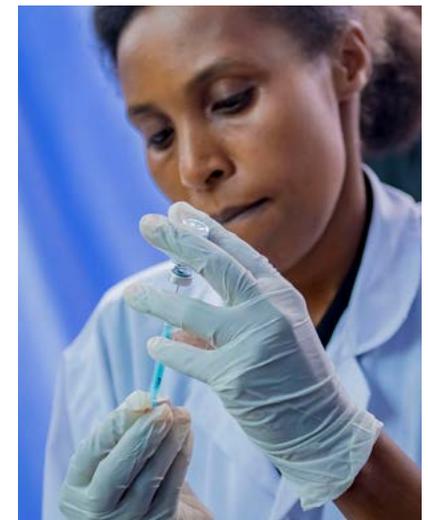


Johnson & Johnson

2019 Health for Humanity Report

Progress in Sustainability



Report Summary

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

Photo by Paul Bettings

Front cover

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

Photos by Rwanda Ministry of Health

Message from Our Chairman and CEO

Dear Johnson & Johnson Stakeholders,

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

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



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

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

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

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

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

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

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

affirmed unequivocally that there is a fundamental connection between serving all stakeholders and generating sustainable, long-term value.

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

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

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

Alex Gorsky

Chairman, Board of Directors
and Chief Executive Officer

Sustainability Approach



Sandra, a Quality Control Analyst at Janssen Pharmaceutical Companies of Johnson & Johnson in Cork, Ireland.

As the world's largest healthcare company, Johnson & Johnson has a unique ability to apply its expertise and partnering power to solve some of the most difficult global health challenges. We focus our sustainability efforts where we believe Johnson & Johnson can achieve the greatest impact. Our Health for Humanity 2020 Goals are aligned with our Company's purpose and reflect the areas where our stakeholders expect us to lead.

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

Engaging Stakeholders

In 2019, we conducted our latest Priority Topics Assessment (PTA) to understand the views of our key stakeholder groups on environmental, social and governance (ESG) topics that they believe are priority for Johnson & Johnson. Building on learnings from prior assessments, we enhanced our methodology to conduct deeper and broader stakeholder engagement across a larger number of topics. See our [2019 PTA methodology and topic definitions](#).

More Resources

- [2019 Health for Humanity Report](#) →
- [Year in Brief Video](#) →
- [Health for Humanity 2020 Goals Progress Scorecard](#) →
- [UN SDGs Progress Scorecard](#) →
- [GRI Index](#) →
- [SASB Index](#) →
- [ESG Policies and Positions](#) →

2019 YEAR IN BRIEF

Better Health for All

\$11.4 billion
invested in R&D

105,000 patients
provided access to HIV treatment

106,000 patients
provided access to MDR-TB treatment

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

75,000 health workers
educated in 54 countries



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

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

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

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

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

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

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

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

Responsible Business Practices

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



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

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



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



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

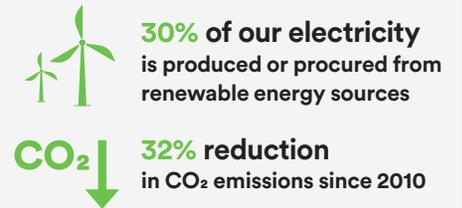
46% of management roles held by women



\$1.6 billion spend with diverse suppliers



Environmental Health



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

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

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



* World Health Organization

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

Better Health for All: Tackling the World's Toughest Health Challenges

We are committed to pioneering and sustainably delivering meaningful and transformational products that save lives, cure patients and prevent disease for those most in need. Upholding Johnson & Johnson's rich heritage and legacy of innovation, we are taking on the world's toughest health challenges, and targeting transformational health outcomes for individuals and communities. Examples of how we advanced Better Health for All in 2019 include:

Eliminating HIV and TB:

- **Publicly committing to invest more than \$500 million** over the next four years to advance the global effort to eliminate HIV and TB by 2030.
- **Progressing Imbokodo**, our Phase 2b proof-of-concept efficacy study evaluating an investigational preventative vaccine against HIV-1 infection.
- **Launching Mosaico**, our Phase 3 study to evaluate the vaccine regimen in men who have sex with men (MSM), and in transgender people aged 18 – 60.
- **Improving HIV treatment options**, we announced positive results of the investigational, long-acting two-drug injectable regimen in two major Phase 3 studies. Both studies showed that our treatment regimen (Janssen's rilpivirine and ViiV Healthcare's cabotegravir), injected monthly, had similar efficacy in maintaining viral suppression in adults living with HIV-1 when compared to a standard of care, daily, oral three-drug regimen.
- **Extending access to our HIV therapy for children and adolescents in several African countries** through our New Horizons Collaborative, enabling a smooth transition into national adult HIV care by providing access to treatment until the age of 24.

- **Expanding treatment for young TB patients** with Food and Drug Administration (FDA) approval for bedaquiline tablets as part of a combination therapy for multidrug-resistant tuberculosis (MDR-TB) patients aged 12 years and over in the United States, a regulatory milestone in our pediatric R&D program for bedaquiline.
- **Launching an international research consortium** to discover and develop TB antibiotics in collaboration with European partners to advance R&D for a drug regimen to cure MDR-TB while shortening treatment duration and minimizing likelihood of resistance.

Preventing and Responding to Pandemic Threats:

- **Engaging in driving new solutions across multiple disease areas**, including vaccines and treatments to combat Influenza, Ebola, Zika, Malaria, Chagas, Hepatitis B and Extraintestinal Pathogenic *Escherichia coli*, as well as taking immediate action to address new threats as they appear, such as COVID-19. Specifically, in early 2020, we mobilized resources on multiple fronts for an immediate and wide-reaching response to **combat COVID-19**.

Combating Neglected Tropical Diseases:

- **Extending our annual 200 million dose donation of our intestinal worms treatment VERMOX CHEWABLE** (mebendazole chewable 500mg tablets) through 2025 for pre-school and school-aged children in developing countries.
- **Partnering to complete a Phase I (First-in-Human) trial** for a new treatment to combat dengue fever.



Janssen's new cell processing facility in Raritan, New Jersey, where a carefully controlled, aseptic environment was designed for the groundbreaking CAR-T cancer therapy, in which a patient's own T-cells are reengineered to create a personalized treatment to fight cancer.

Transforming Mental Healthcare:

- **Achieving FDA and European Commission approval for SPRAVATO** (esketamine) CIII nasal spray, in conjunction with an oral antidepressant (specifically a SSRI or SNRI in the EU), to treat adults with treatment-resistant depression (TRD)—the first new mechanism of action to treat major depressive disorder in decades.
- **Partnering with the Rwanda Ministry of Health** to increase access to RISPERDAL (risperidone) for the treatment of schizophrenia, complete a first-ever mental health clinical study in Rwanda, and launch a remote training system for over 48,000 community health workers across the country.

Overcoming Antimicrobial Resistance (AMR):

- **Gaining recognition as a leader in the fight against AMR** for the second time in the 2020 AMR Benchmark by the Access to Medicine Foundation.

Better Health for All: Access, Community Health & Innovation

We are committed to improving access to our innovative medicines, vaccines, devices and diagnostics in all countries. We tailor our programs and activities to provide support where it is needed most, using strategies that support access and affordability of our medicines, contribute to community health and strengthen health systems. We maintain an intensive pace of innovation, deploying our in-house resources and extensive global networks to meet a broad range of health needs.

Enhancing Access to Healthcare

We pursue multiple approaches appropriate to the reimbursement systems and legal guidelines of different countries. Using tools such as equity-based tiered pricing and partnerships with public health organizations, we strive to help achieve broad and timely access to our medicines in a way that is affordable locally. Examples of enhancing access in 2019 include:

- **Enhancing access in Kenya:** In partnership with Kenya's National Hospital Insurance Fund (NHIF), we are enhancing access to ZYTIGA (abiraterone acetate), a drug used to treat an advanced form of local prostate cancer. The new partnership will allow more patients to be diagnosed and treated earlier through a patient assistance program for NHIF-member patients.
- **Pricing and resources for access and affordability:** In the United States, the **Janssen CarePath** program helped 1.3 million patients with access, affordability and treatment support in 2019. As noted in [Janssen's U.S. 2019 Transparency Report](#), the average net price of our medicines declined by 1.2% in 2019, reflecting \$24.5 billion in discounts, rebates, and fees we provided to intermediaries in the system—more than half the list price of our medicines.

Contributing to Community Health

We go the extra mile to support the people at the front lines of delivering care, so that communities can more effectively address the health needs of the world's most vulnerable people. Examples from 2019 include:



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

- **Training and education for frontline health workers:** Johnson & Johnson and the Johnson & Johnson Foundation launched the **Center for Health Worker Innovation** to address the global health worker shortage, improve the quality of care and strengthen health systems.
- **Programs reached nurses and midwives** in Africa and Asia, and leveraged technology through our new Johnson & Johnson Impact Ventures (JNJIV)—an impact investment initiative within the Johnson & Johnson Foundation that targets technology innovation to support the access and delivery of quality and affordable care. JNJIV has committed \$5 million to five impact investments in Africa, Europe and Asia to date.
- **Giving in our communities:** We donated cash and product globally to the value of \$1.8 billion in 2019. Between 2016 and 2019, our contributions amounted to more than \$6 billion.

Innovating for Better Health

We pursue breakthroughs in science and technology in our own laboratories and through our powerful network of scientists and entrepreneurs all over the world. Our vision

is to positively impact human health through innovation via different channels and programs. In 2019, key initiatives included:

- **Advancing innovation through R&D in pharmaceuticals, medical devices and consumer health with a series of new developments including:** approvals for new medicines to treat several diseases; leading the development of new treatments, for example, to treat multiple myeloma; achieving breakthroughs in digital surgery and robotic platforms; introducing new knee replacement technology and improved surgical instruments; commercializing the first monofocal intraocular lens to deliver improved vision; and introducing a NEUTROGENA collection that helps speed up surface cell renewal to brighten skin tone, a need identified through consumer feedback.
- **Advancing innovation through our extensive networks around the world through:**
 - **Innovation acceleration:** We engaged with more than 65 initiatives deploying more than \$145 million. We also collaborated in the Whole Genome Sequencing project to help create meaningful insights into complex diseases and make data available to the global scientific community.
 - **Life science incubation:** JLABS, our life science incubator network for innovators, continued to support entrepreneurs who turn breakthrough science into transformative solutions, working with 600+ companies in 1,450 collaborations. In June, the first JLABS facility in Asia Pacific—JLABS @ Shanghai—was launched.
 - **Strategic investing:** Johnson & Johnson Innovation – JJDC, our strategic venture capital arm, invests in hundreds of emerging life sciences companies and, in 2019, continued to rank as the number one investor in Healthcare Corporate Venture Capital, deploying more than \$500 million across over 40 healthcare companies.

Responsible Business Practices

In 2019, we advanced responsible business practices across a range of topics relating to **ethics and transparency** (compliance, bioethics, information security and data privacy, and corporate governance) and **product quality, safety and reliability** (product quality, patient safety, ingredient safety and combating counterfeiting and illicit trade). We also made notable progress in **empowering people** and leading a **responsible supply base**.



Johnson & Johnson employees in our new facility in Midrand, South Africa

Examples of how we supported and empowered our people in 2019 include:

- **Engaging, developing and rewarding our people:** 3,500 new leaders were trained in our Enterprise Leader Development Program, bringing the total number trained to date to 8,000; we spent \$98 million on employee learning and development, and improved employee benefits with an enhanced Employee Assistance Program for more than 118,000 employees in 72 countries. In 2019, we conducted our global biennial Our Voice Survey measuring

employee engagement with 95% of respondents agreeing with the statement: “I am willing to give extra effort to help Johnson & Johnson meet its goals.”

- **Keeping diversity and inclusion in focus:** We launched our inaugural **You Belong: Diversity & Inclusion Impact Review**, sharing how diversity and inclusion are a part of the way we work every day to better serve our patients, consumers and customers.
- **Continuing to provide safe and healthy workplaces:** Our global Total Recordable Injury Rate improved by 24% compared to 2018. We also achieved our best rate ever for road safety (5.54 crashes per million miles). Progress against our Health for Humanity 2020 Healthiest Workforce Goal was recorded with 93,000 employees completing ENERGY FOR PERFORMANCE training, 112,000 employees engaging in health and wellbeing via digital health tools, and 120,000 and 113,000 employees receiving access to healthy eating and healthy movement cultures respectively.
- **Engaging our employees in Talent for Good:** We maintained programs offering opportunities to thousands of employees to make a difference in our communities. Examples include: our Secondment Program, where employees volunteer with NGOs across 25 countries for up to six months; our new Lion Secondments Program, where senior leaders take on advisory assignments with NGOs over four to six months; and our **Global Pro Bono** initiative, with 17 participants from seven countries who used their skills in 2019 to support NGOs in Argentina and Guatemala over a period of four weeks.

Examples of how we advanced a responsible supply base in 2019 include:

- **Engaging suppliers:** 750 suppliers underwent an EcoVadis assessment and 344 suppliers were requested to publicly disclose their environmental performance to CDP—an increase of 13% over 2018. 84% of suppliers in our Sustainable Procurement Program submitted climate change information at our request as part of our CDP Supply Chain Program.
- **Enhancing supplier diversity and inclusion:** 71% of procurement spend was with suppliers enrolled in our Sustainable Procurement Program. Diverse supplier spending (U.S.) was \$1.6 billion, and small supplier spend was \$2.6 billion. We were proactive in channeling our procurement spend to support women- and minority-owned businesses and employment of people with disabilities.
- **Connecting with social enterprises:** Johnson & Johnson is one of seven founding partners of the Buy Social Corporate Challenge in the UK, and we supported the launch of the Buy Social Corporate Challenge to promote social enterprises in corporate supply chains.
- **Sourcing responsibly:** We improved our disclosure to the CDP Forests Program, achieving A- scores for timber and palm oil disclosures. We continue to partner with Earthworm Foundation to implement our Responsible Palm Oil Sourcing Criteria and with Rainforest Alliance to deliver against our Wood-Fiber Products Sourcing Criteria. In the first year of our partnership with the World Wildlife Fund, we laid the foundation for advancing innovations in sustainable palm oil production done at a scale that supports forests, wildlife, and long-term community wellbeing.

Environmental Health

In 2019, we advanced a range of programs to improve environmental health. Some areas of progress include:

- Advancing our Health for Humanity 2020 Climate Goals** by reducing Scope 1 and Scope 2 GHG emissions by 32% since 2010, exceeding our 2020 target. 30% of our electricity is produced or procured from renewable energy sources, putting us on track to exceed our goal of 35% by 2020 and furthering our RE100 aspiration.
- Promoting renewable energy** by becoming founding members of the **Renewable Energy Buyers Alliance (REBA)** to advance a zero-carbon energy system across the United States. We also secured four new power purchase agreements totaling over 370,000 megawatt-hours (MWh) per year, and installed a 3.4 MW capacity windmill at our chemical production site in Geel, Belgium.
- Demonstrating continued leadership in climate resilience and disclosure**, we were named to the CDP Climate Change A List, placing us among the top 2% of companies participating in the survey.
- Investing in green building** with 13% (eight million square feet) of all our built space now LEED-certified.
- Investing in energy efficiency programs** through our CO₂ Capital Relief Program with a total of 2,247 TJ annual energy savings, and 287,931 MT CO₂ annual GHG emissions avoided between 2005 and 2019.
- Improving water management**, advancing our Health for Humanity 2020 goal for water management with **100%** of high-risk sites having developed mitigation plans and budgeted for implementation in 2020. Also in 2019, we were named for the first time to CDP's Water Security A List, the highest-possible ranking.
- Maintaining strong waste management**, with 83% of our total waste reused, recycled, or recovered.
- Advancing our Health for Humanity 2020 Goal for product sustainability** through our EARTHWARDS program to develop more sustainable products across seven impact areas. New and existing products representing 22% of Johnson & Johnson revenue achieved EARTHWARDS recognition. In 2019, 26 products achieved EARTHWARDS recognition.
- Reducing the impact of plastic packaging in our Consumer Health business** through continued progress on our **New Plastics Economy Global Commitment**. We also introduced an enhanced internal Design for Recyclability Policy for our product development teams.
- Improving contact lens recycling** with our launch of the ACUVUE Contact Lens Recycle Program in the UK, enabling consumers to recycle their contact lenses and blister and foil packaging after use. The UK's first free nationwide recycling program, with 1,200 collection points across the country, was created in partnership with TerraCycle. Millions of pairs of lenses were collected for recycling in the first year of the program.



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

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Progress in Sustainability



Report Summary

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