

Executive Summary

2017 Health for Humanity Report

Progress in Citizenship & Sustainability

Johnson & Johnson



Message from Alex Gorsky

It was created with the stroke of a pen in 1886.

James Wood Johnson, who co-founded the company with his brother Edward Mead Johnson, handcrafted one of the world's most trusted logos. James wanted the world to know just how personally and emotionally connected the two were to the company's most important reason for being—improving human health. So, he decided to use the family signature.

Johnson & Johnson.

Placing their name on the company's products was the ultimate measure of accountability. It was a way of holding themselves responsible for their—and their company's—every action. In time, it became not just a trademark, but a mark that people learned they could trust. Because, after all, trust and behavior go hand in hand.

Serving generations of people with integrity, caring and compassion remains our greatest privilege and responsibility. Every day, through our words and actions, we work tirelessly to earn our place in hearts, minds, hospitals and households everywhere. Much like the founding brothers—who were later joined by their brother, Robert Wood Johnson—we continue to build on our reputation and the Johnson & Johnson name through accountability and transparency.

And that's exactly what our 2017 Health for Humanity Report is all about.

It's the story of our progress—our environmental, social and governance efforts—as we relentlessly drive for better health and create long-term value

for you, our shareholders. It's our way of demonstrating how we work to track and deliver on our commitments.

See, for example, how we're eradicating and preventing disease.

We've achieved great milestones as a company this year in our efforts to make HIV history with the initiation of the first efficacy study for a preventative vaccine. I'm encouraged every time I reflect on how far we've come since the 1980s with HIV, once considered a death sentence. All of us are humbled to be a part of the efforts to treat and protect—even, one day, prevent—HIV.

I'm also proud of how we're reimagining the way that care is delivered and expanding access for the world's most vulnerable populations.

Our mMitra service immediately comes to mind. mMitra is an innovative mobile-messaging program that sends vital health information to expectant and new mothers living in low-income urban communities in India. The impact is irrefutable—mMitra has positively impacted the lives of one million women, and their children. This service has had a transformative effect. And it earned us a top spot on *Fortune's* 2017 Change the World list.

The report also shares our unwavering commitment to healthy minds, bodies and environments.

We're making great progress toward our Health for Humanity 2020 Goals and United Nations Sustainable Development Goals focus areas. Our strong legacy of environmental stewardship, for example, continued in 2017 when our site in



Alex and Pat Gorsky in Valmiki Basti, one of the oldest communities in New Delhi, India, where they visited the homes of mMitra families.

Helsingborg, Sweden became the first Johnson & Johnson site receiving carbon-neutral status for all energy sources across manufacturing, R&D and warehouse facilities—a historic achievement that improves human health while protecting the environment and natural resources.

Stories like these inspire and motivate us every day.

While we're pleased to share the progress we've made in this report, we recognize there's more work to be done. And I'm confident that we've got the best people in place to continue our sustainability stewardship and commitment to being responsible global citizens—consistent with the values outlined in Our Credo.

The Health for Humanity Report is the story of us. It showcases our commitment

to changing the trajectory of health for humanity. This sense of purpose has helped us build on our company's good name since the Johnson brothers, quite literally, put theirs on the company in 1886.

I believe they'd be proud to put it on this report, too.

Alex Gorsky
Chairman, Board of Directors
and Chief Executive Officer



WATCH VIDEO

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 is within reach for everyone, everywhere.

We are driven by Our Credo, a set of values and principles, that challenges and inspires us to put the needs and well-being of the people we serve first. To us, these aren't just words: Our Credo serves as the foundation of our mission as a healthcare company, and is reflected in how we operate our business around the world. The long-term thinking of our founders, and current leadership, allow us to stay true to this vision.

We've been setting five-year goals to improve the sustainability of our business for decades. In setting these goals, we strive to ensure that they are aligned with our company's purpose, are embedded in our business strategy, and reflect the areas where our stakeholders

expect us to lead. We believe that achieving our 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. We measure and track progress against the goals and report out on our progress annually, including independent review and assurance of our data. This data-driven approach allows us to dedicate our resources efficiently and effectively to the issues that are most impactful and important to all stakeholders. In 2017, we continued making progress against our Health for Humanity 2020 Goals. Please see [Health for Humanity 2020 Goals Progress Scorecard](#) for more information.

Our citizenship and sustainability approach also includes our commitment to support the global agenda on sustainable development. We are working to help advance implementation of the United Nations Sustainable Development Goals (UN SDGs) across five key issue areas where we are uniquely positioned to create sustainable and scalable impact. The summary of our progress against UN SDG commitments can be found in our UN SDGs Scorecard, reflecting cumulative progress from 2016 and 2017. For more information, please visit our [Sustainable Development Goals](#) webpage.

Watch our 2017 Health for Humanity Report Year in Brief Highlights



WATCH VIDEO

Review our Health for Humanity 2020 Goals Progress Scorecard



READ MORE

Learn more about our progress in citizenship and sustainability



VIEW 2017 REPORT

2017 Year in Brief



1.2 billion
VERMOX (mebendazole) doses donated since 2006*

51%
of supplier spend represented by suppliers enrolled in **Sustainable Procurement Program***



Recognized
as **leaders** in vaccine R&D by the **Access to Vaccines Index**

45%
of Manager and above talent movement was across function, country or business segment lines



37,000
patients in **95 countries** provided access to MDR-TB therapy with **SIRTURO (bedaquiline)***

25%
of Company's electricity use from **renewable energy sources***



JULUCA
(dolutegravir and rilpivirine), developed in collaboration with ViiV Healthcare, the **first and only complete, single-pill**, two-drug regimen to treat **HIV-1 infection** approved by U.S. FDA



8 weeks
Global Parental Leave Standard launched—employees globally can take a **minimum of 8 weeks'** paid leave for birth/adoption



Helsingborg,
Sweden our 1st site achieving **carbon (CO₂)-neutral status for all energy sources** across manufacturing, R&D and warehouse facilities**



"A"
in **CDP Supplier Engagement** Rating, recognized for **outstanding performance** in supplier engagement

Actelion
joined our company, adding **pulmonary hypertension** as Janssen's **6th therapeutic area**



*Assured by third-party, ERM Certification and Verification Services Inc.; figures have been rounded.

**Assured by third-party, ERM Certification and Verification Services Inc., for the period of 1 March 2017 to 31 December 2017.

Better Health For All

At Johnson & Johnson, health is our business. For more than 130 years, we have been committed to improving the health of individuals, families and communities around the world, including the most vulnerable and underserved populations, driving innovation and collaboration to change the trajectory of health for humanity. Our global public health strategy is focused on tackling some of the world's most pressing health challenges, including HIV, tuberculosis, neglected tropical diseases, and the growing burden of non-communicable diseases.

World Without Disease

We believe it is imperative to address disease along the entire continuum of health, including prevention, disease interceptions and cures. Pooling insights and expertise from across our three business segments and leveraging the power of partnerships, we focus on determining the most promising integrated solutions.

In 2017, we brought two new treatment options to people living with HIV:

- In the EU, the European Commission approved SYMTUZA (darunavir/cobicistat/emtricitabine/tenofovir alafenamide [D/C/F/TAF])—the only darunavir-based single-tablet regimen approved for treatment of HIV-1.
- In the U.S., FDA approved JULUCA (dolutegravir and rilpivirine), developed in collaboration with ViiV Healthcare, the first single-pill, complete two-drug regimen for treatment of HIV type 1 (HIV-1) infection in certain adults living with the disease who are virologically suppressed.

“ We’re joining forces with the world’s leading HIV researchers and global health advocates to help advance our experimental [HIV] vaccine. Working together, our ultimate goal is to support efforts to make HIV history. ”

Paul Stoffels, Chief Scientific Officer,
Johnson & Johnson

On the eve of 2017 World AIDS Day, **we announced** that Janssen together with a consortium of global partners initiated the first efficacy study for our investigational mosaic HIV-1 preventive vaccine.

We are one of a very few pharmaceutical companies investing in tuberculosis R&D and delivery. In 2017, **we announced** a collaboration with India’s Institute of Microbial Technology (IMTECH) to discover new treatments for TB and put us on a path to ultimately end TB around the world.

We have made significant progress to expand access to SIRTURO (bedaquiline) across the world with a significant increase in numbers of patients reached in 2017. And with the first patient treated in China, we achieved a critical milestone in the treatment of MDR-TB with patients in every high burden MDR-TB country in the world now having access to this lifesaving medicine.

To contribute to global health security, in 2017 **we joined forces** as a founding member with the World Economic Forum, the Gates Foundation, the Wellcome Trust,

the governments of Norway and Germany and other organizations to form a unique public-private partnership, the Coalition for Epidemic Preparedness.

Strengthening Health Systems

Strong, well-functioning health systems are imperative for advancing human health. Around the world, we are working with many stakeholders and leveraging our global expertise in health and on-the-ground presence in different regions to advocate for tailored solutions that help strengthen local health systems. We advocate for universal access to care, pilot sustainable financing solutions together with partners so that people can cover their health needs, and educate and empower people on the front lines, such as nurses, caregivers and community health workers.

We believe a more value-based healthcare system has tremendous potential to improve the health of populations, increase access to care, and limit costs. An example of value-based care in action is our global CareAdvantage initiative in the Medical Devices segment, launched at the beginning of 2017. Data-driven, holistic and grounded in Johnson & Johnson’s deep expertise and insights, the goal of CareAdvantage is to help providers and health systems assess and then implement values-based action plans along the care pathway while optimizing patient care.

Community Engagement

When we think about creating a world with better health for all, this starts by putting communities and people first. Our giving is focused on supporting and championing people who are at the front lines of delivering care. As just one example,

we marked a milestone in 2017 in Africa for supporting the front lines of health. By the end of the year, more than **10,500 healthcare providers** had received critical skills training from the Medical and Surgical Skills Institute, based in Ghana. This engagement is part of our U.N. Sustainable Development Goals Essential Surgery commitment area.

During the events in 2017 related to Hurricanes Irma, Maria and Harvey and the Earthquake in Mexico, we provided both short-term and long-term relief for those directly affected, including both in-cash and in-kind donations.

Recognized as leaders in vaccine R&D by the **Access to Vaccines Index**

38,000 adult patients and 630 pediatric patients received access to HIV/AIDS therapy with the branded and generic versions of **PREZISTA**, **INTELENCE** and **EDURANT***



Joined the **Patent Information Initiative for Medicines** (Pat-INFORMED)

*Cumulative, since 2016. Assured by third-party, ERM Certification and Verification Services Inc.; figures have been rounded.

Innovation

We relentlessly pursue the best breakthroughs in science and technology—whether from within our own laboratories or from our powerful network of scientists and entrepreneurs all over the world. We create lifesaving products, solutions and services to extend and improve the lives of patients and consumers. Our commitment to innovation extends beyond the lab. Embracing technological change and leveraging the opportunities created by digitalization, we continuously look for ways to run our business more efficiently, with transformations in our operations and supply chain management.

Innovating How We Serve

We marked the fifth anniversary of JLABS, our open innovation ecosystem for healthcare entrepreneurs, with 312 start-up companies working with us to advance scientific discovery. We also announced the first JLABS location outside North America, in Shanghai, China.

Technology plays a crucial role in improving health outcomes. As the world's largest and most diversified healthcare company, we

are well-positioned to leverage our clinical knowledge, deep consumer and population health insights and consumer-marketing expertise to create health tech tools that help guide people on their total healthcare journeys. One example is our NEUTROGENA SKIN360 app and SkinScanner powered by FITSKIN, which makes professional skin care accessible. A dermatologist-grade at-home skin analysis tool attaches to a smartphone, scans the skin, and feeds data into the application, leveraging NEUTROGENA's wealth of research and expertise to track and assess skin's progress.

Innovating How We Work

Our Enterprise Standards & Productivity Program, launched in 2013, put us on a path to enterprise-wide implementation of a smarter and more efficient business model. The new operating model will deliver \$1 billion dollars in savings by the end of 2018, centralize key services related to Human Resources, Finance and Procurement in one global and four regional service centers, and deploy best-in-class technologies to help our Company respond efficiently to business needs.

Manufacturing for the Future (MFF) is part of our refreshed supply chain strategy that was created to transform our manufacturing processes into a connected, self-learning and hyper-efficient production system of the future. MFF aims to bring us closer to the future state of manufacturing, which we know will be based on an intelligent and autonomous manufacturing system that is seamlessly integrated into the end-to-end supply chain.

Our Company is one of the earliest business adopters to pilot the first-of-its-kind wearable augmented reality (AR) technology, Google Glass. We tested the technology with our IT global managers, challenging them to find innovative business cases that tapped the technology's potential to improve quality, productivity and efficiency across our diverse sites and operations. As a next step, we will scale the use of technology across our global operations.

In 2017, DePuy Synthes launched the first-ever 3D-printed medical device, the MAXFRAME Multi-Axial Correction System, to correct limb deformities from fractures, infection, arthritis, tumors or congenital causes. MAXFRAME enables surgeons to customize each frame to meet individual patient needs.



Best Manufacturer Partner

Gartner Healthcare Supply Chain Ranking

2017 Clarivate Analytics Top 100 Global Innovator



mMitra

mobile phone technology program Recognized as "Public Health Initiative of the Year" in India

“From the very beginning of Xycrobe, JLABS has been an essential partner, helping us to grow from an idea on paper to proof-of-concept and all the way to a tangible product/therapy. It's a brilliant model that I wholeheartedly recommend to any biotech startup.”

Thomas Hitchcock, Ph.D., Founder and CEO, Xycrobe

Our People

The employees of Johnson & Johnson are the heart, mind and soul of our Company and the foundation of our sustainable growth. In developing the 21st-century workforce, we empower and inspire our people through multifaceted engagement initiatives and programs that maximize their potential and allow them to thrive both personally and professionally. We support this career development by curating a diverse, inclusive, high-performing and safe work environment.

Commitment to Talent

We focus on innovative, data-driven and progressive ways to select, onboard and retain our globally diverse talent. And we ensure development is for everyone, regardless of role or the status of their career journey or aspirations through comprehensive training opportunities and proactive career planning.

Empower & Inspire

We encourage our employees to aim high and dream big, and offer ways to get involved in areas that inspire them. We have created programs and experiences that empower our employees to develop and share their unique contributions throughout our Company and within the communities we serve. Our Employee Resource Groups,

for example, are voluntary, employee-led groups that self-organize based on shared identities/affinities and experiences, and look to apply those perspectives to initiatives that create value for the enterprise.

We launched a **Global Pro Bono program** in 2017 as another way for employees to use their “talent for good,” pairing Johnson & Johnson employees with our non-governmental organization partners to help build management capacity and improve, strengthen and transform health systems.

Our Voice Survey

The Johnson & Johnson “Our Voice” Survey conducted in 2017 showed employees feel engaged, inspired and empowered by their

work. A total of 87% said they feel a strong sense of purpose and meaning and 95% said they are willing to give extra effort to help Johnson & Johnson meet its goals.

Diversity & Inclusion

Our cross-cutting, enterprise-wide D&I has three pillars: advance our culture of inclusion and innovation; build a diverse workforce for the future; and enhance business performance and reputation. Engaging with Professor Mahzarin Banaji of Harvard University, in 2017 we provided an “Unconscious Bias” training program to all our people leaders. This curriculum was reinforced with e-learning modules and group discussions, which are extending into 2018.

To help us increase the diversity of the candidate pool and remove bias, we are leveraging innovative technologies, including artificial-intelligence powered solutions like Textio to remove gender bias, and Google Job API for more targeted hiring process.



Top 10
2017 *Working Mother*
100 Best Companies for
Working Mothers

#2
Reuters
Diversity
& Inclusion
Index



#15
2017 CareerBliss
50 Happiest Companies
in America.

“Johnson & Johnson sees the relevance of gaining awareness about how human minds work. They know that their success depends on becoming aware of the way our decisions are actually made, not just what we intend. And at Johnson & Johnson, they are committed to turning thinking into action by hiring and retaining the best”

Mahzarin R. Banaji, Department Chair of Psychology and Richard Clarke Cabot Professor of Social Ethics, Harvard University

Environmental Health

Human health is inextricably linked to the health of the planet. We recognize that we can't have healthy people without a healthy environment. At Johnson & Johnson, we are focused on marshalling our expertise and resources to reduce our environmental footprint and promote change to make better health a reality for more people, in more places.

Optimizing our Operations

We recognize our responsibility to contribute to the global effort of tackling climate change and moving towards a low-carbon economy. In 2017, we made significant progress against our related Health for Humanity 2020 Goals. Approximately 25% of our electricity consumption was from renewable sources, and our CO₂ emissions decreased by 21% globally compared with the 2010 baseline (Scope 1 and Scope 2).

Our plant in Beerse, Belgium, began construction on a project that will provide geothermal energy for campus heating and cooling.

We are on track to meet our Health for Humanity 2020 Goal related to water management. In 2017, 38% of all high-

risk sites identified in our water risk assessment process in the prior year developed mitigation plans, and will start implementation in 2018.

Improving Product Sustainability

Our product stewardship strategy is based on science and a lifecycle view of product impacts—from discovery and design, raw material sourcing, and manufacturing, to product use and end of life. EARTHWARDS is our in-house developed tool to integrate environmental sustainability across our diverse product portfolio. We identify and quantify improvement opportunities across seven key impact areas: materials, packaging, energy, waste, water, social impact and innovation. As of 2017, 118 Johnson & Johnson products achieved EARTHWARDS recognition.

We are committed to reducing environmental impacts of our product packaging. In the emerging markets, we are promoting scalable programs that help people generate value from waste, like Project Phoenix, a program to help recycling cooperatives in Brazil improve their operational processes, develop a stronger social infrastructure and create a sustainable market for their materials.

Connecting the Dots Between Climate Action, Air Quality & Human Health

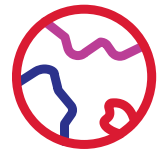
Air pollution is one of the leading risk factors for many acute and chronic diseases. Specifically, air pollution is responsible for 36% of deaths from lung cancer, 34% of deaths from stroke, and 27% of deaths from heart disease. According to the World Health Organization, 92% of citizens around the world live in areas that do not meet air quality standards. As a leading healthcare company, we understand the link between environmental and human health. That is why we have partnered with the C40 Cities Climate Leadership Group and its network of cities to help fund programs that will link cities acting on climate with the benefits to air quality and human health. Through research and education, the C40 partnership will help connect the dots between better climate and air to measurably better health benefits in vulnerable urban areas, and to gain political and financial buy-in and drive greater action and impact at scale. Our goal is to help more people in major cities around the world have cleaner air to breathe.

¹ <http://breathelife2030.org/the-issue/health-and-climate-impacts/>



Top 10
in U.S. 2017 *Newsweek*
Green Rankings

2017
Patent Award
for the Global
Aquatic
Ingredient
Assessment (GAIA) Tool



Founding Member
Climate Leadership Council,
American Chemical Society's Green
Chemistry Pharmaceutical Industry
Roundtable and the Healthcare Plas-
tics Recycling Council

“Doctors are already providing medical care every day for people whose health is impacted by climate change. Our partnership with Johnson & Johnson is helping physicians educate the public and policymakers about the reality that ultimately climate health is about human health.”

Mona Sarfaty, MD, MPH, Director, Program on Climate and health, Center for Climate Change Communications, George Mason University; Founder, Medical Society Consortium on Climate & Health

Responsible Business Practices

Responsible business practices serve as the foundation of our Company's success and are imperative to protecting the broader healthcare system and the communities in which we live and work. It starts with Our Credo, which guides our culture of ethical leadership and integrity, delivered by a diverse, skilled workforce committed to serving the patients, customers, consumers and all others who rely on us.

Ethics & Transparency

We believe in conducting our business with integrity. For us, this means complying with applicable legal, regulatory and industry code requirements and upholding the highest standards in every aspect of our business and in every market where we operate. We continuously self-reflect and refine our transparency and disclosure practices based on wider societal context and stakeholder expectations.

Our Johnson & Johnson Code of Business Conduct, Ethical Code of Conduct for Research & Development, and our Health Care Compliance policies outline standards of behavior that are expected of all employees, and guide our focus on protecting privacy, enacting transparency, and executing patient-centered decision making.

In 2017, we published our inaugural Janssen U.S. Transparency Report (covering 2016) that highlights how we set prices for our medicines, clinical data transparency, investments in research and development, patient access programs and other resources.

Building on our successful participation in the Yale Open Data Access (YODA) Project,

Johnson & Johnson's Consumer business segment became the first consumer company to make clinical trial data available to researchers through the YODA Project.

Product Quality, Safety & Reliability

Patient and consumer safety first is an absolute priority at Johnson & Johnson. To save and improve lives, our products and solutions must in the first place be as effective, safe, and free of defects as possible. Our approach to product quality, safety and reliability is founded on:

- adherence to Johnson & Johnson quality and safety standards that apply to all operations globally;

“Johnson & Johnson has more than just a commitment to data sharing; they are, with their bold and inspiring action, leading us to a new era of science, where researchers work together for the greater good”

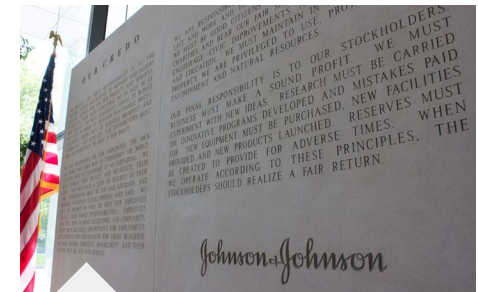
Harlan Krumholz, MD, SM, Harold Hines, Jr. Professor of Medicine, Yale University School of Medicine

- focus on quality and safety at each phase of product lifecycles;
- commitment to continuous improvement and innovation;
- and ensuring supply chain integrity for brand protection.

Patients and consumers are at the center of our safety surveillance activities. We engage patients and seek to integrate their input throughout all stages of a product lifecycle, from development to commercialization. Our Pharmaceutical R&D group launched a Patient Voice initiative in 2017 to help inform and improve our clinical trial designs by sharing clinical trial plans with patients, gathering patient feedback on protocols, and modifying clinical trial design, recruitment and retention.

Responsible Supply Base

We are committed to engaging and partnering with suppliers who are transparent, can assure us of responsible business conduct, and can verify compliance of their operations with our Responsibility Standards for Suppliers and relevant legal and regulatory requirements. In 2017, we completed an update of our Standards to include enhanced requirements on quality, expanded requirements on human rights, and a new section focused on Health Care Compliance and Privacy. In tandem, we continued developing our supplier human rights risk assessment approach with the social audit program to be piloted in 2018.



2017
Corporation of the Year
by the Minority Business
Development Agency

100% Score
Bioethics
International
Good Pharma
Scorecard



Admitted
to CDP's Supplier Engagement
Leader Board, receiving an "A" for
outstanding performance in supplier
engagement.



2017 Health for Humanity Report

Progress in Citizenship & Sustainability

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Front Cover: Johnson & Johnson is proud to partner with *Save the Children* on their *Journey of Hope* program, delivering emotional support to children and their families most affected by natural disasters. Photo by Susan Warner for *Save the Children*. Hurricane Harvey 2017.