



2020 Environmental, Social and Governance (ESG) Summary

Effective management of ESG matters is a business imperative.

We believe continual improvement of our ESG management practices helps drive long-term value creation and strengthens our ability to respond to the needs and expectations of all stakeholders.

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Further information:

2020 Health for Humanity Report, including the ESG Reporting Hub with SASB, TCFD, GRI, other indices, and Independent Assurance Statements, [see here](#)

A-Z Index of ESG Policies & Positions, [see here](#)

Corporate Governance materials, [see here](#)

For queries or feedback, please contact us at the Johnson & Johnson [Enterprise ESG Program Office](#).

ESG Approach

As the world’s largest and most broadly based healthcare company, Johnson & Johnson is in a unique position to apply its expertise and partnering power to solve some of the most difficult global health challenges. At Johnson & Johnson, our ESG approach means generating economic, environmental and social value for patients, healthcare providers, parents and all others we serve, including our employees and their families, the communities in which we live and work, business partners, investors and society as a whole. We focus our sustainability efforts where we believe our Company can achieve the greatest impact while maintaining accountability for our business practices.

We believe effective management of ESG as a strategic business component will enable us to be successful over the long term. Sound ESG practices drive financial value creation by building stakeholder trust, driving innovation, mitigating risk, fostering employee engagement, increasing productivity and reducing costs. Our ESG management approach is designed to effectively govern and manage the ESG risks and opportunities that arise from our core business strategy.

Our ESG management approach includes:

- Delivering innovative health solutions for patients and consumers to advance better health for everyone, everywhere.
- Investing in our employees, creating a diverse, equitable and inclusive environment in which all can belong, and empowering employees to strengthen the communities in which we live and work.
- Marshaling our resources and partnerships to reduce the environmental footprint of our operations, our products and our extended supply chain.
- Promoting sound, effective governance structures and controls; strategy and goal setting; risk identification; prioritization and mitigation systems and disclosure.

Our ESG priorities are grounded in [Our Credo](#) values, informed by our Company’s purpose to change the trajectory of health for humanity and based on our [Priority Topics Assessment](#) (PTA). Our PTA process helps us identify and prioritize the ESG topics that matter most to our stakeholders and to our Company as stakeholder expectations and our business environment continue to evolve.

We have been conducting PTAs every two or three years since 2008, with our most recent in-depth assessment conducted in 2019. Considering the global events of 2020, we conducted an interim 2020 PTA update. The results inform and shape our ESG priorities and reporting. In those areas where we believe we can achieve the greatest impact we set goals and annually report our progress with independent assurance validation.

Our public Health for Humanity Goals are set every five years. In 2020, we successfully delivered upon our Health for Humanity 2020 Goals, achieving significant progress in advancing better health for all, environmental stewardship and responsible business practices across our extended value chain. For details of our performance, see our [Health for Humanity 2020 Goals Progress Scorecard](#).

Starting in 2021, we have committed to an ambitious set of new goals, which build upon our past success and continue to be integral to creating shared value for all stakeholders; we consider them Key Performance Indicators of our ESG performance. Our Health for Humanity 2025 Goals include:

- **Pandemics and Epidemics:** Three Goals supporting pandemic and epidemic response, global health security and improvements in tuberculosis (TB) treatment.
- **Global Health Equity:** Seven Goals addressing global public health priorities, strengthening health systems and addressing critical health needs including mental health and obstetric surgery.

- **Our People:** Five Goals that target improved gender and racial equity throughout our Company, support our Healthiest Workforce aspirations and engage our colleagues in supporting STEM education.
- **Our Planet:** Three climate Goals: one 2025 Goal to derive 100% of our electricity needs from renewable sources, with two through to 2030 to deliver carbon neutrality in our operations and reduce Scope 3 emissions.
- **Our Partners:** Three Goals that focus on expanding our responsible procurement programs to engage suppliers in sustainability practices, achieve greater spend with diverse suppliers and expand collaborations to drive positive impact innovations through the supply chain.

For full details of these Goals and measures, please see our [Health for Humanity 2025 Goals](#).

United Nations Sustainable Development Goals (SDGs): Alongside our Health for Humanity Goals that concluded in 2020, we also advanced a set of commitments, reflecting our unique strengths, that specifically supported the achievement of three SDGs (#3: Good Health and Well-Being; #5: Gender Equality; and #17: Partnerships) while making significant contributions to other SDGs. In 2020, we successfully concluded these commitments. For details of our performance, see our [UN SDGs Commitment Progress Scorecard](#). Moving forward, through our [Health for Humanity 2025 Goals](#) we will actively contribute to achieving 11 of the 17 SDGs.



2020 Year in Brief

OUR NEW COMMITMENTS AND GOALS



\$100 million

committed over the next five years in the U.S. to help eliminate health inequities for people of color



\$800 million

committed through 2030 to advance our Healthy Lives Mission, to make our Consumer Health products more sustainable

21

ambitious Health for Humanity 2025 Goals addressing pandemics and epidemics, global health equity, our people, planet and partners

OUR IMPACT

People We Serve



Combating COVID-19

Within a year, began manufacturing our single-shot COVID-19 vaccine, now authorized for emergency use by the U.S. FDA, granted a Conditional Marketing Authorization by the European Commission, and issued an Emergency Use Listing by the World Health Organization (WHO)

Expanding Access to MDR-TB Treatment

Collaborated with the Stop TB Partnership's Global Drug Facility to develop and implement a novel access framework for SIRTURO (bedaquiline) for 135+ low- and middle-income countries

Advancing Breakthrough Science for HIV

Received European Commission Marketing Authorization for REKAMBYS (rilpivirine injection) to be used with ViiV Healthcare's Vocabria (cabotegravir injection) as the **first-ever complete, long-acting injectable HIV treatment regimen**

Treating Atrial Fibrillation

Received CE mark approval for QDOT MICRO Catheter, **next-generation high-power, short-duration ablation catheter** for the treatment of atrial fibrillation



Photo by Rwanda Ministry of Health.

Preventing Future Ebola Outbreaks

Received European Commission Marketing Authorization for Ebola vaccine regime¹¹ for the prevention of Ebola Virus Disease

Partnering to Stop Smoking

As part of the Access Initiative for Quitting Tobacco, launched by the WHO to reduce smoking rates around the world, Johnson & Johnson Consumer Health **donated nicotine replacement therapy patches**

Employees

Over 100

medically trained employees benefited from paid leave to serve patients in their communities during the COVID-19 pandemic



46% of management roles held by women globally



53% of new hires in 2020 were women

Living Wage

assessment integrated into our standard human resources processes

Our Credo Survey results showed an all-time high:



93%

participation rate



89%

favorability

Communities & Planet

\$2.6 billion

contributed in products and cash for charitable purposes*

\$50 million

additional funds committed to support frontline health workers battling COVID-19*

10.7% of total supplier spend

attributable to diverse suppliers



54% of our electricity

is produced from renewable energy sources



45% reduction

in CO₂ emissions globally since 2010

Shareholders

\$12.2 billion

invested in R&D, an increase of 7% over 2019



59

consecutive years of dividends increases**

\$7.3 billion

spent on acquisitions, creating value through innovation and partnerships

* Funded entirely by the Johnson & Johnson Foundation, a registered charity and a company limited by guarantee. The Foundation is a separate legal entity from the Johnson & Johnson Family of Companies.

** Includes dividend declared in April 2021.

ESG Data Summary

ENVIRONMENTAL	2020	2019	2018
Total energy use (TJ)	11,954	12,702	13,208
Energy intensity ratio (TJ/billion USD)	145	155	162
Percentage of electricity generated from renewable sources**	54%	30%	31%
Percentage decrease in GHG emissions (Scope 1 and Scope 2) compared to 2010 baseline**	45%	32%	26%
GHG emissions intensity ratio (Scope 1 and Scope 2) per revenue (MT CO ₂ e/million USD)	9	12	13
Percentage of water withdrawn in regions of high or extremely high baseline water stress	39%	39%	Not reported
Percentage of water consumed in regions of high or extremely high baseline water stress	50%	48%	Not reported
Non-hazardous waste recycled (MT)	82,184	83,118	79,827
Non-hazardous waste landfilled (MT)	7,860	12,512	13,878
Percentage of manufacturing and R&D sites certified to ISO 14001	96%	97%	99%
SOCIAL: Better Health for All	2020	2019	2018
R&D investment (millions)	\$12,159	\$11,355	\$10,775
Patients provided access to HIV/AIDS treatment (No. cumulative since 2016)**	156,904	112,704	71,792
Patients provided access to MDR-TB treatment (No. cumulative since 2016)**	314,749	133,565	181,184
VERMOX (mebendazole) doses donated (No. cumulative since 2006, billions)**	1.8	1.6	1.4
Health workers who received training to better deliver quality healthcare (No. cumulative since 2016)***	902,000	469,000	324,000
Eye care screenings delivered (No. cumulative since 2016)**	14,747,483	12,052,706	7,876,233
Total products and cash contributed globally (millions)	\$2,567	\$1,806	\$1,612

SOCIAL: Ethics, Compliance and Product Quality	2020	2019	2018
Percentage of sales and marketing employees who completed healthcare compliance training	96%	95%	Not reported
Product recall rate, by business segment			
Pharmaceutical	0%	0.002%	Not reported
Medical Devices	0.034%	0.041%	Not reported
Consumer Health	0%	0.091%	Not reported
SOCIAL: Employees	2020	2019	2018
Total employees (No.)	136,400	137,701	140,861
Gender diversity of global employees (percentage of women)	48.1%	47.8%	47.1%
Percentage of women in management positions	46.4%	45.8%	45.3%
Total number of new hires	13,594	21,948	Not reported
Overall voluntary turnover	5%	8%	8%
Total spend on employee learning and development (millions)	\$108	\$98	\$90
Percentage of employees who completed year-end performance reviews	93%	89%	89%
Employees engaged in ERGs (No.)	24,300	21,600	20,300
Percentage of employees covered by collective bargaining agreements	23%	20%	21%
SOCIAL: Employee Safety	2020	2019	2018
Total Recordable Injury Rate	0.24	0.31	0.41
Lost Workday Case rate	0.05	0.07	0.08
Number of fatalities	0	0	2
GOVERNANCE	2020	2019	2018
Percentage of women on the Board	35.7%	28.6%	27%
Percentage of ethnic/racial diversity on the Board	21.4%	21.4%	27%

* For full details of our performance and notes to all data points, see our 2020 Health for Humanity Report [Performance Data](#).

** Represents progress against a Health for Humanity 2020 Goal. For more information, see [Health for Humanity 2020 Goals Progress Scorecard](#).

*** Represents progress against a UN SDGs Commitment. For more information, see [UN SDGs Commitment Progress Scorecard](#).

United in Defeating COVID-19

From the outset, Johnson & Johnson adopted a total-Company approach to combating the COVID-19 pandemic, leveraging our global resources and networks to address the multiple ways the pandemic affected our employees, patients, consumers, suppliers, partners and communities, working both independently and in collaboration with governments, NGOs and other key players in our industry. We formed a dedicated Global Pandemic Crisis Management Team, supported by more than 50 global cross-functional teams. Our global efforts focused on ensuring care for those directly affected as well as providing support for those with other medical conditions and healthcare needs.

A safe and effective vaccine is key to eradicating the COVID-19 pandemic. For more than 20 years, Johnson & Johnson has invested in building state-of-the-art antiviral and vaccine capabilities, which we have used to develop and manufacture our Ebola vaccine regimen and construct our Zika, RSV, and HIV vaccine candidates. We have used these capabilities and facilities to accelerate our efforts to developing a COVID-19 vaccine, moving at utmost urgency, while ensuring quality, compliance and safety protocols are observed. Within the space of a year, we were ready to manufacture our single-shot COVID-19 vaccine.

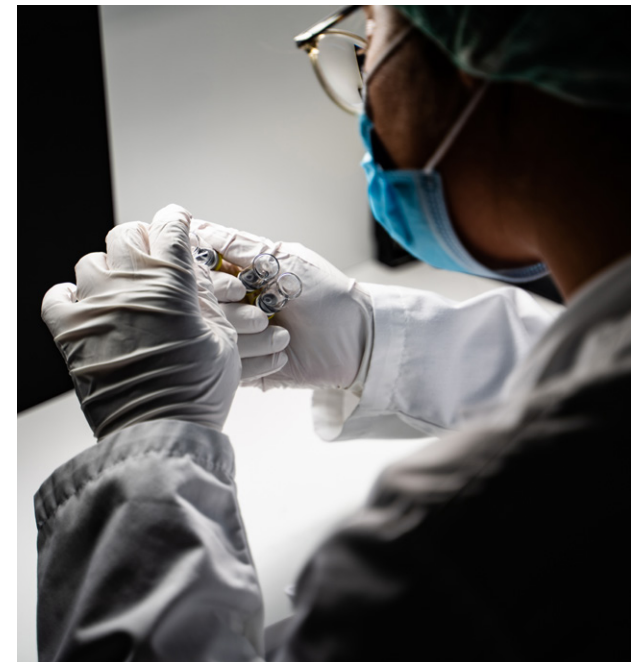
Our COVID-19 response can be categorized in four main areas:

- **Caring for Patients:** We leveraged our resources to accelerate the development of an effective COVID-19 vaccine and related therapies. Also, we continued to meet the ongoing needs of patients and communities, assuring the continuity of supply of our lifesaving medicines, consumer health products and medical devices. Similarly, through [Our Race to Health Equity initiative](#), we further committed to help eradicate health inequities for people of color, many of which emerged during, or were exacerbated by, COVID-19.

- **Supporting the Front Lines of Care:** Our [Center for Health Worker Innovation](#) catalyzes our efforts to build a thriving health workforce and is underpinned by a [\\$250 million, 10-year commitment](#) by Johnson & Johnson and the Johnson & Johnson Foundation to support one million nurses, midwives and community health workers reaching 100 million patients by 2030. In March 2020, we added a further [\\$50 million](#) to this investment to support frontline health workers battling COVID-19, with a focus on the safety, well-being and resilience of health workers and improving the quality of and access to digital tools. We worked with multiple partners across the globe to support the front lines of healthcare.
- **Protecting Employees:** We instituted a variety of workplace enhancements for the one third of our global 136,000+ employees who continued to work at Johnson & Johnson sites and facilities during the pandemic, and supported others as they adapted to remote work arrangements. Our Human Resources (HR) department formed dedicated HR Squads to solve employee-facing issues with urgency, consistency and end-to-end agility.
- **Ensuring Supply Chain Continuity:** Throughout the pandemic we worked closely with suppliers, distributors, local governments and regulators to maintain supply continuity. These steps include maintaining critical inventory at major distribution centers away from high-risk areas around the world to continue to meet the needs of patients, customers and consumers.

For further details of our COVID-19 Response in each of the above areas, see our 2020 Health for Humanity Report, [United in Defeating COVID-19 section](#). See also [our website](#) for the most recent updates on our continued efforts to address the COVID-19 pandemic.

We leveraged the full scale of our science, capabilities, expertise and team of more than 136,000 dedicated and compassionate colleagues to address the many different facets of one of the most significant health crises in our history.



Environmental Topics

Building on our strong legacy of climate action, in September 2020 we announced Johnson & Johnson's next generation of Health for Humanity climate goals:

- By 2025, source 100% of our electricity needs from renewable sources.
- By 2030, achieve carbon neutrality for our operations, going beyond our Science-Based Target to reduce absolute Scope 1 and 2 emissions 60% from 2016 levels.
- By 2030, reduce absolute upstream value chain (Scope 3) emissions 20% from 2016 levels.

Our operational and value chain carbon goals have been validated by the [Science-Based Targets initiative \(SBTi\)](#) as being consistent with the reductions required to keep global warming to 1.5°C and are in line with what the latest climate science deems necessary to meet the goals of the Paris Climate Agreement.

Our value chain (Scope 3) goal meets the SBTi's criteria for ambitious value chain goals, meaning it is in line with current best practice.

In 2020, we made progress against our climate targets and other improvements in our environmental impacts:

- **Reducing emissions:** Around the world, our facilities continued to pursue initiatives to improve our carbon footprint, adding up to significant GHG reductions for the Enterprise. In 2020, we reduced our Scope 1 and 2 GHG emissions by **45%** compared to a 2010 baseline.
- **Green electricity and renewable energy:** In 2020, we signed a green tariff electricity contract for our operations in the Philippines, which went into effect in October 2020. Through this contract, our electricity supplier matches Johnson & Johnson's electricity consumption from the grid with renewable electricity produced or purchased from renewable sources within the same market. This follows our signature of renewable Power Purchase Agreements (PPA) in 2019 for our operations in Belgium, Ireland, Mexico and the Netherlands, as well as green tariff electricity contracts in Japan, Greece and Germany, all of which took effect in 2019 or early 2020.
- **Capital expenditure for energy efficiency:** Energy efficiency programs at our most energy-intensive manufacturing and R&D sites are allocated up to \$40 million per year in capital relief through our CO₂ Capital Relief Program, for energy projects that demonstrate potential CO₂ savings and a financial return of at least 15%. In 2020, we allocated **\$33 million**, delivering an expected annual GHG emissions avoidance of **298,905 MT CO₂**.
- **Green building and transportation:** We continued to pursue LEED (Leadership in Energy & Environmental Design) certification across our facilities. In 2020, we received LEED Gold certifications for three facilities in Belgium and China. In total, **six** Johnson & Johnson buildings were newly LEED-certified in 2020, bringing the total number of LEED-certified buildings to **60 (14.5%** of our built space) by the end of the year. Johnson & Johnson received the [EPA SmartWay Excellence Award](#) for outstanding environmental performance and climate-efficient transportation.

More than 99% of Johnson & Johnson freight in North America is transported with SmartWay-registered carriers with a strong record of fuel efficiency and GHG reduction.



Our LEED Gold-certified Xi'an, China, Janssen facility with a 1 MW solar array installed in 2020.

- **Water and waste management:** We continue initiatives to reduce water consumption and reduce/recycle waste. Overall water withdrawal reduced from **11.71 million m³** in 2019 to **11.09 million m³** in 2020 and overall waste generation reduced from **195,272 MT** in 2019 to **183,034 MT** in 2020. Initiatives advanced during the year included an innovative water purification process delivering significant water savings and adapting a distillation process to reuse solvents.

Social Topics

At Johnson & Johnson, our primary social impacts relate to our core business activity to improve health for all, including our advances in innovation, global public health across a range of disease areas and medical conditions, access and affordability, and strengthening health systems. Detailed progress is reported in our [2020 Health for Humanity Report](#) and we also publish performance metrics covering our progress against our Health for Humanity 2020 Goals. Key areas of progress in 2020 included:

Better Health for All

- **HIV:** Received approval from health authorities around the world for our breakthrough long-acting, two-drug injectable regimen for the treatment of HIV-1 infection in adults. This regimen, combining Janssen’s rilpivirine LA with ViiV Healthcare’s cabotegravir LA, enables treatment once-monthly (in some countries) or once-every-two-months, replacing daily treatment.
- **TB:** Received U.S. Food and Drug Administration (FDA) approval for SIRTURO (bedaquiline) as part of combination therapy for the treatment of multidrug-resistant tuberculosis (MDR-TB) in infected children aged 5 years and older weighing at least 15 kg. This new 20 mg formulation allows for dispersal in water for those unable to swallow pills.
- **Ebola:** Initiated a trial (called INGABO) of our two-dose Ebola vaccine regimen in healthy pregnant women in Rwanda. Pregnant women who have contracted Ebola face increased mortality and morbidity, and a near 100% rate of adverse pregnancy outcomes.

Our Race to Health Equity

In 2020, we announced [Our Race to Health Equity](#), backed by \$100 million in commitments and collaborations over the next five years to invest in and promote health equity solutions for Black people and other communities of color in the United States. Our commitment prioritizes:

- **Healthier Communities** – investing in programs that help provide equitable healthcare for underserved communities;
- **Enduring Alliances** – forging partnerships and alliances that combat racial and social health determinants; and
- **Diverse & Inclusive Corporate Culture** – ensuring a diverse and inclusive workforce.

Quality Management and Medical Safety

- Innovations within clinical trial execution grew rapidly in response to the constraints of the COVID-19 pandemic. We introduced new capabilities for digital quality monitoring of clinical sites and created new means for conducting quality oversight of innovative methods of patient data capture to enable home healthcare.
- We are advancing a first-in-kind artificial intelligence (AI) capability to streamline pharmacovigilance processes for faster handling of complaint cases. At the Medicines and Healthcare Products Regulatory Agency (MHRA) Symposium 2020, Johnson & Johnson was recognized for our Literature Assist Tool, noting we are one of the few companies to demonstrate a first-in-kind AI capability in production and commending our unique intelligent automation strategy that includes both prescription and OTC products.

Human Capital Management

- Conducted Our Credo Survey in **78 countries** and **36 languages** with all-time high participation rate of **93%** and favorability results, for example, **94%** agreed with the statement: Acts responsibly to the communities in which we live and work and the world community as well.
- Published our second [You Belong: Diversity, Equity & Inclusion Impact Review](#), sharing stories of how we have advanced diversity, equity and inclusion across all the different dimensions of our business and in line with our strategic goals.
- Maintained our strategic Talent for Good programs in which employees contribute to healthy communities, for example: Bridge to Employment (BTE) continued to serve students through college preparation with thousands of hours of mentoring by Johnson & Johnson colleagues; hundreds of employees took part in skills-based Pro Bono Programs serving 81 NGOs; and Johnson & Johnson employee volunteers and nonprofit partners engaged more than 300,000 girls with STEM²D education through our WiSTEM²D Youth Pillar.
- To reinforce our commitment to fair pay as defined by [Our Credo](#) and the [Position on Employee Compensation and Benefits](#), in 2020, we completed a living wage assessment ensuring pay is not only equitable and market competitive, but also more than sufficient to provide the means for our employees and their families to attain a sustainable standard of living.

Governance Topics

Corporate Governance

In 2020, we introduced initiatives to strengthen our corporate governance:


- Our Policy on Outside Board Memberships was updated to reflect Johnson & Johnson's current operations and the complexities applicable to our businesses. The new policy clarifies the definition of Board memberships and the approvals required for senior leaders in the Company to accept external Board positions and under which conditions.
- In order to further align the long-term financial interests of Johnson & Johnson executive officers with those of shareholders, the Board increased the number of shares executive officers must own. The Company ownership guidelines now require our Chairman & CEO to own a number of shares equal to 12 times his base salary and each of our other executive officers to own sufficient shares to equal six times their base salaries.
- At our Annual Meeting of Shareholders, the Board recommended, and shareholders approved, an amendment to Johnson & Johnson's Restated Certificate of Incorporation to allow directors to be removed without cause. This initiative reflected the Board's recognition of the emerging practice to permit removal of directors without cause by shareholders as a measure to increase the accountability of the Company's directors to shareholders.
- In response to a shareholder proposal presented at our 2020 Annual Meeting of Shareholders as well as to valuable shareholder feedback requesting updates regarding key corporate governance developments, the Board prepared and published a report on the governance measures implemented to monitor and manage financial and reputational risks, specifically opioids-related risks.

Ethics and Compliance

- We continued to enhance end-to-end Third Party Intermediary (TPI) Risk Management processes leaning on updated risk segmentation to drive a risk-based TPI Due Diligence process and background checks, red flag management, monitoring, and risk mitigation. All employees are directed to utilize these standards when selecting and managing TPIs and other intermediaries.
- In collaboration with the Advanced Medical Technology Association (AdvaMed) and member industry partners, the AdvaMed Distributor Capability Working Group, completed the development of a Global Distributor Compliance Toolkit. This publicly available Toolkit offers access to compliance guidance, training and other resources to help third-party distributors formalize and strengthen their compliance program to meet the expectations and standards for doing business in the medical devices and diagnostics industry.
- Increased efforts to ensure compliance with the growing number of new privacy and cybersecurity laws around the globe that all have security or data protection requirements, including the California Consumer Privacy Act and Brazil's Lei Geral de Proteção de Dados (LGPD) compliance law, as well as other new regulations in China, South Korea and Thailand.



Rankings and Indices



Constituent of the **FTSE4Good Index Series**, designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

Ranked #2 for “social capital” in new *The Wall Street Journal* ranking of world’s most sustainably managed companies.




Ranked #3 on advancing access to medicines and technologies for people in low- and middle-income countries in the 2021 Access to Medicine Index.

Named to the **2020 CPA-Zicklin Index of Corporate Political Disclosure and Accountability** for the third consecutive year with trendsetter status, indicating model corporate governance best practices.




A List ratings from CDP in climate action for the third consecutive year and water security for the second consecutive year.



Named to the **CDP supplier engagement leader board** for the fourth consecutive year.


Received the **EcoVadis 2021 Sustainable Procurement Leadership Awards** in the Best Value Chain Engagement category.

Ranked #1 on 12th annual Gartner Healthcare Supply Chain Top 25 ranking.




Named to *Working Mother’s* annual **100 Best Companies** list for the 35th consecutive year, and also recognized on the **Best Companies for Dads** list for the third consecutive year.



Named to *Forbes* 2020 list as a **Best Employer for Diversity** for the 2nd consecutive year.



Johnson & Johnson Technology selected as a **2021 CIO 100 Award** winner for wide-ranging contributions to bringing forward Johnson & Johnson’s COVID-19 vaccine candidate.



DiversityInc **2020 and 2019 Hall of Fame Company** for Diversity.



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Contact us:

Johnson & Johnson Enterprise ESG Program Office

WW-Corporate-Governance@its.jnj.com

One Johnson & Johnson Plaza

New Brunswick, New Jersey 08933

healthforhumanityreport.jnj.com

jnj.com