

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Johnson & Johnson and its subsidiaries (J&J) have approximately 141,700 employees worldwide engaged in the research and development, manufacture and sale of a broad range of products in the health care field. Johnson & Johnson is a holding company, with operating companies conducting business in virtually all countries of the world. The Company's primary focus is products related to human health and well-being. The Company is organized into three business segments: Consumer Health, Pharmaceutical and MedTech.

MedTech

The MedTech segment includes a broad range of products used in the Interventional Solutions, Orthopaedics, Surgery, and Vision fields.

Pharmaceutical

The Pharmaceutical segment is focused on six therapeutic areas: Immunology (e.g., rheumatoid arthritis, inflammatory bowel disease and psoriasis), Infectious Diseases (e.g., HIV/AIDS and COVID-19), Neuroscience (e.g., mood disorders, neurodegenerative disorders and schizophrenia), Oncology (e.g., prostate cancer and hematologic malignancies, lung cancer and bladder cancer), Cardiovascular and Metabolism (e.g., thrombosis, diabetes and macular degeneration) and Pulmonary Hypertension (e.g., Pulmonary Arterial Hypertension).

Consumer Health

The Consumer Health segment includes a broad range of products focused on personal healthcare used in the Skin Health/Beauty, Over-the-Counter medicines, Baby Care, Oral Care, Women's Health and Wound Care markets.

This response contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The reader is cautioned not to rely on these forward-looking statements. Our "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" can be found in Johnson & Johnson's Annual Reports (see details at [jnj.com/about-jnj/annual-reports](https://www.jnj.com/about-jnj/annual-reports)) and in Johnson & Johnson's subsequent Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. Johnson & Johnson does not undertake to update any information in this response as a result of new information or future events or developments. Information on corporate sustainability measures can be found in the Johnson & Johnson Health for Humanity Report (see details at <https://healthforhumanityreport.jnj.com/>)

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

- Argentina
- Belgium
- Brazil
- Canada
- China
- Colombia
- Dominican Republic
- Egypt
- France
- Germany
- Greece
- India
- Indonesia
- Ireland
- Israel
- Italy
- Japan
- Malaysia
- Mexico
- Netherlands
- Puerto Rico
- Republic of Korea
- South Africa
- Spain
- Sweden
- Switzerland
- Thailand
- United Kingdom of Great Britain and Northern Ireland
- United States of America
- Venezuela (Bolivarian Republic of)

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Facilities whose primary activities are not research and development (R&D) and/or manufacturing are excluded. For example, J&J does not collect water data from locations that house primarily administrative activities such as sales/marketing office buildings and warehouses.	Water impacts related to office buildings and warehouses are a de minimus source relative to the water sources included in J&J's overall water footprint.
Withdrawals of groundwater related to remediation of contamination.	Groundwater pump and treat projects may be operated at sites no longer entirely under J&J's control and/or operated by third parties. It is presumed that the volume of water not returned to the environment as a result of these activities is not significant relative to the footprint of our manufacturing and R&D activities.
Withdrawals of groundwater as drainage from construction activities.	Water withdrawn as drainage is as such returned to the environment. It is presumed that the volume of water not returned to the environment as a result of these activities is not significant relative to the footprint of our manufacturing and R&D activities.
Water data from manufacturing and R&D locations acquired via the purchase of a business within the last year.	We align our public environmental reporting to the operational boundary conditions established by the Greenhouse Gas (GHG) Protocol. Under that Protocol, an acquisition is not included in reporting until 2 years from acquisition date. J&J acquired three sites in 2020 (all in the United States) whose data will be included in reporting in 2023. We also acquired one site in 2021 (located in Israel) that will be included in 2024 reporting.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	JNJ

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Direct Use: Water is vital for our operations because high-quality water is required for use as a manufacturing aid and/or as a product ingredient. This is determined to be vital because future production could be compromised for certain product lines and processes if the water supply was insufficient. Indirect Use: The primary use of water in indirect operations is a manufacturing aid and/or a product ingredient. Indirect use is rated as vital because sufficient amounts of high-quality water must be used to pass product quality standards for certain categories of product, such as upstream suppliers for pharmaceutical ingredients. Primary Uses: Water use varies depending on the product or business line, where for certain consumer goods (such as shampoos) most water use is distributed in our direct operations, whereas for other products most water use lies upstream in our value chain. Future water dependency is likely to remain the same (vitaly important for direct and indirect use) given the nature of our product lines across Consumer Health, Pharmaceutical and MedTech Companies. While specific processes or product lines may change, our business segments (particularly Consumer Health and Pharmaceutical) will rely on high quality water in sufficient quantities as either an ingredient within our products or as a manufacturing aid.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Primary Use - Direct Operations: Recycled water is used in operations as an offset for freshwater where appropriate, such as in manufacturing processes (e.g., cooling towers), but could be mitigated by internal efficiencies or supply chain diversification. Why this rating was chosen: The rating reflects the importance of offsetting freshwater usage when possible, especially in areas of water risk. However, recycled/brackish water is not of sufficient quality to be used as a product ingredient and is therefore not 'vital'. Primary Use - Indirect Operations: As with direct operations, recycled water is used as a manufacturing aid for reducing freshwater usage in our supply chain. Why this rating was chosen: It is rated as important for reducing overall water impact, as some of our supply chain may be in areas of water stress and/or water-intensive industries, but not vital because it does not meet quality standards necessary for use in products. Future recycled water dependency for both direct and indirect operations is likely to remain the same given the nature of our product lines across Consumer Health, Pharmaceutical and MedTech business segments and the water needs of our suppliers. While specific processes or product lines may change, it is not expected that recycled water could be used as a product ingredient in the future. Our business segments will use recycled water to offset freshwater usage when feasible.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Our organization monitors all 'water withdrawals - total volumes' as part of our approach to water efficiency and water risk management. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) for water withdrawals from third parties (such as municipal). For locations where a meter is not available, water withdrawal is calculated based on records of pump operation and flow rate either quarterly or annually. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.
Water withdrawals – volumes by source	100%	Our organization monitors all 'water withdrawals - volumes by source' as part of our approach to water efficiency and water risk management. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) for water withdrawals from third parties (such as municipal). All water withdrawals are categorized by source and maintained within internal tracking systems for corporate reporting. For locations where a meter is not available, water is calculated based on records of pump operation and flow rate either quarterly or annually. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	As per J&J standard, all facilities are required to determine, at least annually, the acceptability of drinking water supply by applying local, regional or national drinking water-quality standards. Where there are no such standards, the World Health Organization (WHO) guidelines are applied. Water that is used in process operations is subject to quality verification as determined by the requirements of Quality Assurance. The frequency of monitoring is based on multiple factors, including but not limited to the point of use, criticality of use and historical data and can range from continuous to annual. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.
Water discharges – total volumes	100%	Our organization monitors all 'Water discharges – total volumes'. Discharges are typically subject to permits which require metering and monitoring. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) from vendor meters and/or meters that are subject to government approval for use. For locations where a meter is not available, water output is calculated based on mass balance equations to account for water use in products and/or processes. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary and excludes the exclusions reported in W0.6a.
Water discharges – volumes by destination	100%	Our organization monitors all 'Water discharges – volumes by destination'. Discharges are typically subject to permits which require metering and monitoring and all wastewater is categorized by destination for reporting. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) from vendor meters and/or meters that are subject to government approval for use. For locations where a meter is not available, water output is calculated based on mass balance equations to account for water use in products and/or processes. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.
Water discharges – volumes by treatment method	100%	Our organization monitors all 'Water discharges – volumes by treatment method'. Discharges are typically subject to permits which require metering and monitoring and all wastewater is categorized by treatment method for reporting. The frequency of monitoring ranges based on billing periods (monthly to quarterly being most common) from vendor meters and/or meters that are subject to government approval for use. For locations where a meter is not available, water output is calculated based on mass balance equations to account for water use in products and/or processes. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.
Water discharge quality – by standard effluent parameters	100%	Our organization monitors all 'Water discharge quality – by standard effluent parameters' where required by local law or permits. Pursuant to discharge permit conditions and/or internal company requirements, analysis of wastewater effluent is conducted on-site and/or by third party appropriately accredited laboratories. Results are reported to government agencies as per legal requirements. Manufacturing and R&D sites with direct discharge to surface water yearly report selected parameters to corporate. The frequency of monitoring discharge quality will vary based on permit requirements, which may range from continuous to annual. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.
Water discharge quality – temperature	100%	Our organization monitors 'Water discharge quality – temperature' if required per local law or discharge permit, which is often, but not always, required. Pursuant to discharge permit conditions and/or internal company requirements, analysis of wastewater effluent is conducted on-site and/or by third party appropriately accredited laboratories. Results are reported to government agencies as per legal requirements. The frequency of monitoring discharge quality will vary based on permit requirements, which may range from continuous to annual. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.
Water consumption – total volume	100%	'Water consumption – total volume' is monitored indirectly as part of our corporate water reporting program, though some facilities may track this directly as part of water efficiency measures. This is generally calculated as total withdrawals subtracted by water discharge at a corporate level. The frequency of monitoring ranges based on water source, with municipal/vendor sources typically tracked monthly or quarterly and other sources (such as groundwater, recycled water, etc.) typically tracked quarterly or annually based on on-site meters, invoices and/or mass balance calculations. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.
Water recycled/reused	100%	Our organization monitors all 'Water recycled/reused' as part of our approach to water efficiency and water risk management. The frequency of monitoring ranges based on a number of factors but is generally quarterly or annually and is based on on-site meters and/or mass balance calculations. All water sources including recycled water are categorized by source and maintained within internal tracking systems for corporate reporting. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Our organization monitors 'the provision of fully-functioning, safely managed WASH services to all workers' as part of our approach to Environmental Health & Safety (EHS) and our public commitment to the Human Right to Water. This is monitored on an ongoing basis, where all locations have access to clean drinking water and water for washing, where some locations have on-site showers. In this row, 'facilities' refers to all manufacturing and R&D sites as defined by our operational boundary, excluding the exclusions reported in W0.6a.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	11043	About the same	Total withdrawals were about the same in 2021 compared to 2020 and lower compared to 2019, as still fewer employees worked on-site at J&J facilities due to the continued COVID-19 pandemic. This figure is based on a combination of data including invoices, on-site meters and mass balance calculations which are compiled into an online reporting platform for corporate reporting. The level of uncertainty is expected to be minimal arising from data gaps, assumptions and metering/measuring constraints. We anticipate water consumption to increase back to pre-pandemic levels as employees return to work. After that normalization, we expect withdrawals to stay the same or decrease in the future (offsetting growth) as we continue to implement water efficiency projects.
Total discharges	7154	About the same	Total discharges were about the same in 2021 compared to 2020, as still fewer employees worked on site at J&J facilities due to the continued COVID-19 pandemic. This figure is based on a combination of data including invoices, on-site meters and mass balance calculations which are compiled into an online reporting platform for corporate reporting. The level of uncertainty is expected to be minimal, arising from data gaps, assumptions and metering/measuring constraints. We expect water discharges to increase back to pre-pandemic levels as employees return to the workplace. After that normalization, we expect discharges to decrease in the future on a similar path as we continue to implement water efficiency projects.
Total consumption	3895	About the same	Total consumption was about the same in 2021 compared to 2020, as still fewer employees worked on site at J&J facilities due to the continued COVID-19 pandemic. While some sites may calculate consumption on-site, this is not standard across all facilities. This figure is therefore based on a Company-wide calculation (using Consumption = Withdrawals – Discharges, or 11,043 total withdrawals – 7,154 discharges = 3,895 megaliters total consumption). The majority of this is volume incorporated into products, though evaporation/transpiration is a relevant contribution. We expect water consumption to increase back to pre-pandemic levels as employees return to the workplace. After that normalization, we expect consumption to stay the same or decrease as we improve efficiencies within our manufacturing process and/or product design.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	About the same	WRI Aqueduct	Water stress, in alignment with the CDP definition (sites defined by the WRI Aqueduct tool with baseline water stress greater than or equal to "High"), accounts for 40% of our water withdrawals. Due to continued low presence of employees on site, caused by the COVID-19 pandemic, water withdrawal in areas with water stress was very comparable to 2020.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	275	About the same	Water withdrawal from freshwater is considered relevant because it represents 2% of our total water withdrawal in the 30 countries where manufacturing and R&D sites are present. Total fresh surface water withdrawals in 2021 were about the same as in 2020. The amount of rainwater used was slightly higher in 2021 than in 2020 due to project implementation for freshwater use reduction. The relevant sources of freshwater for J&J include rainwater, surface water, greywater and other freshwater designations. Most of the volume reported is from direct measurements but may be supplemented by mass balance equations. This volume is expected to remain constant or increase slightly as we seek to implement rainwater harvesting and greywater where appropriate to reduce our consumption of other freshwater and third-party sources.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant since J&J does not withdraw from brackish surface water/seawater in the 30 countries where manufacturing and R&D sites are present. The use of brackish surface water/seawater is expected to remain not relevant, as there are no plans to include brackish surface water/seawater into our production processes.
Groundwater – renewable	Relevant	3064	About the same	Water withdrawal from renewable groundwater is considered relevant because it represents 28% of our total water withdrawal in the 30 countries where manufacturing and R&D sites are present. Renewable groundwater was about the same in 2021 compared to 2020 due to continued low presence of employees on site, caused by the COVID-19 pandemic. This volume is anticipated to remain the same or slightly decrease in the future as we seek to improve our water efficiency and reduce dependency on groundwater sources.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant as J&J does not withdraw from non-renewable groundwater sources in the 30 countries where manufacturing and R&D sites are present. All groundwater withdrawals are renewable. The use of non-renewable groundwater is expected to remain not relevant as there are no plans to include non-renewable groundwater into our production processes.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant as J&J does not withdraw from produced water sources in the 30 countries where manufacturing and R&D sites are present. This trend (not relevant) is expected to stay the same as there are no plans to include produced water into our production processes.
Third party sources	Relevant	7704	About the same	Water withdrawal from third party sources is considered relevant because it represents 70% of our total water withdrawal in the 30 countries where manufacturing and R&D sites are present. Third party sources refer to municipal suppliers in the majority of J&J facilities and was about the same in 2021 compared to 2020, due to continued low presence of employees on site, caused by the COVID-19 pandemic. We expect the withdrawal from third party sources to increase to pre-pandemic levels as employees return to the workplace. After that normalization, we expect consumption to stay the same or decrease as a result of projects to improve our water efficiencies.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	2165	Lower	Fresh surface water is a relevant destination and comprises 30% of our overall discharge in the 30 countries where manufacturing and R&D sites are present. Fresh surface water includes: surface water, irrigation and other fresh surface water categories. The total discharge for this category decreased by 4% from 2020 to 2021, mainly driven by a decrease in the use of water for cooling at a location in Switzerland. Volumes are sourced from direct measurements whenever applicable and substituted with mass balance equations when on-site meters are not available. This volume is expected to increase to pre-pandemic levels as employees return to the office. After that normalization, we expect consumption to stay the same or decrease in the future as a result of projects to improve our water efficiencies.
Brackish surface water/seawater	Relevant	183	Higher	Seawater is a relevant destination and comprises 3% of our overall discharge in the 30 countries where manufacturing and R&D sites are present. The discharge to this destination increased by 5% from 2020 to 2021 due to increased production activity at one location in Ireland, which is subject to an applicable government permit. Volumes are sourced from direct measurements whenever applicable and substituted with mass balance equations when on-site meters are not available. This volume is expected to stay the same or decrease in the future as a result of projects to improve our water efficiencies.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	Water is not discharged to groundwater in the 30 countries where manufacturing and R&D sites are present and is therefore not relevant. This trend (not relevant) is expected to stay the same as there are no plans to discharge to groundwater in the future.
Third-party destinations	Relevant	4806	Lower	'Third-party destinations' is a relevant destination and comprises 67% of our discharge overall. This is specific to wastewater treatment plants and does not include water to other organizations for further use. The total discharge from this category decreased by 6% from 2020 to 2021, due to an error in the 2020 discharge data. The 2020 value should have been 4885 megaliters/year. Therefore, the actual comparison with the previous reporting year is about the same. Volumes are sourced from direct measurements whenever applicable and substituted with mass balance equations when on-site meters are not available. This volume is expected to increase back to pre-pandemic levels as employees return to the workplace. After that normalization, we expect consumption to stay the same or decrease in the future as a result of projects to improve our water efficiencies.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	1812	Higher	21-30	17 locations apply on-site tertiary treatment involving e.g., separate nitrification/denitrification, activated carbon adsorption or advanced oxidation. The level of on-site treatment at our manufacturing and R&D sites (those sites reported on in this disclosure) is driven by the type of wastewaters to be treated (e.g., amount of carbon, nitrogen, hazardous substances load), and by compliance with regulatory requirements (e.g., permits) or voluntary standards (e.g., Company-specific thresholds). This is a relevant amount since it represents 25% of the total amount of wastewater discharged.
Secondary treatment	Relevant	2226	Lower	31-40	29 locations apply on-site secondary treatment involving biological treatment or advanced filtration treatment. The level of on-site treatment at our manufacturing and R&D sites (those sites reported on in this disclosure) is driven by the type of wastewaters to be treated (e.g., amount of carbon, nitrogen, hazardous substances load) and by compliance with regulatory requirements (e.g., permit) or voluntary standards (e.g., Company-specific thresholds). This is a relevant amount since it represents 31% of the total amount of wastewater discharged.
Primary treatment only	Relevant	867	Much lower	11-20	16 locations apply on-site primary treatment involving physical/chemical treatment and/or pH neutralisation. The level of on-site treatment at our manufacturing and R&D sites (those sites reported on in this disclosure) is driven by the type of wastewaters to be treated (e.g., amount of carbon, nitrogen, hazardous substances load) and by compliance with regulatory requirements (e.g., permit) or voluntary standards (e.g., Company-specific thresholds). This is a relevant amount since it represents 12% of the total amount of wastewater discharged.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	None of the facilities within direct operation discharge to the natural environment without treatment. The Johnson & Johnson Environmental Health & Safety Standards require sites to provide wastewater with at least primary treatment, and where appropriate, secondary or tertiary treatment prior to its discharge to the environment. Therefore, this level of treatment is not relevant.
Discharge to a third party without treatment	Relevant	2378	Higher	31-40	48 locations have no on-site treatment but discharge their wastewater off site for treatment by a third party (e.g., municipal treatment), pursuant to a permit if such applies. The level of on-site treatment at our manufacturing and R&D sites (those sites reported on in this disclosure) is driven by the type of wastewaters to be treated (e.g., amount of carbon, nitrogen, hazardous substances load) and by compliance with regulatory requirements (e.g., permit) or voluntary standards (e.g., Company-specific thresholds). This is a relevant amount since it represents 33% of the total amount of wastewater discharged.
Other	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	9377500000	11043	8491804.76319841	We expect withdrawals to stay the same or decrease in the future (offsetting growth) as we continue to implement water efficiency projects, therefore increasing our total water withdrawal efficiency.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

Less than 1%

% of total procurement spend

1-25

Rationale for this coverage

We prioritize which suppliers we engage to report to the CDP Supply Chain Water Security Questionnaire. The prioritization of these suppliers is based on the water intensity of their operations and the level of water stress in the locations they operate. Incentives include reporting CDP scores in Supplier scorecards among other indicators. In 2021, 101 suppliers responded to the CDP Supply Chain Water Security Questionnaire, representing 8% of the Company's total procurement spend.

Impact of the engagement and measures of success

Information requested from suppliers includes responding to the CDP Supply Chain Water Security Questionnaire, which contains a mixture of quantitative and qualitative disclosure on water risk. Beneficial outcomes of this activity will include reducing our indirect water risk in the future by increasing water risk knowledge and transparency throughout our supply chain. How the information is used within the Company: This information is used to evaluate suppliers for their water management maturity level. It is also used in Supplier Scorecards, which include a mixture of other topics. These scorecards are reviewed on an ongoing basis with J&J Procurement category leads to drive performance. Success is measured by: Increasing the number of suppliers who report to the CDP Supply Chain Water Security Questionnaire. For example, in 2021, 101 suppliers responded to the CDP Supply Chain Water Security Questionnaire (75% participation rate).

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Onboarding & compliance

Details of engagement

Requirement to adhere to our code of conduct regarding water stewardship and management

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

Supplier compliance with the Johnson & Johnson Responsibility Standards for Suppliers (Standards) is included as a term and condition in contracts and purchase orders. The Standards require, among other things, Suppliers to reduce their operational impacts to the environment by implementing wastewater discharges and management measures and ensuring compliance and protection of human health and the environment. Rationale for the coverage of engagement: All suppliers are required to adhere to the Standards.

Impact of the engagement and measures of success

Beneficial outcomes of this activity include reducing our risk from harmful wastewater discharges in our supply chain that could have environmental and reputational consequences. Success is measured by all suppliers understanding and complying with the requirements set forth in the Standards. Supplier compliance with the Standards is included as a term and condition in contracts and purchase orders and take steps to assess our suppliers' conformance to them.

Comment

Type of engagement

Incentivizing for improved water management and stewardship

Details of engagement

Water management and stewardship action is integrated into your supplier evaluation

% of suppliers by number

1-25

% of total procurement spend

76-100

Rationale for the coverage of your engagement

As the world's largest, most broadly-based healthcare company, J&J works with more than 45,000 suppliers across our three business segments. To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2025 Goal to enroll all our suppliers in our Supplier Sustainability Program (SSP). We have a 3-tiered approach to including all of our suppliers in our SSP: we monitor our entire supply base, then where needed, engage suppliers for specific workstreams and lastly collaborate with leading suppliers on high-impact sustainability projects. We identify high-impact, high-spend and high-risk suppliers through our monitoring efforts and then engage these suppliers in a number of sustainability workstreams to ensure they are upholding all of J&J's expectations in the sustainability space. The SSP helps us expand supplier engagement to a more strategic level in which suppliers may partner with us to improve ESG impacts throughout our supply base (see our Position on Responsible Supply Base: <https://www.jnj.com/about-jnj/policies-and-positions/our-position-on-responsible-supply-base>).

Impact of the engagement and measures of success

The SSP helps us expand supplier engagement to a more strategic level in which suppliers may partner with us to improve ESG impacts throughout our supply base. All suppliers are required to conform to our Responsibility Standards for Suppliers (RSS) and all other relevant J&J's policies, commitments and goals. All engaged suppliers are required to complete an EcoVadis assessment that demonstrates conformance to our RSS and to improve across various areas including environmental, human rights, business ethics and sustainable procurement. In addition, suppliers must complete other workstreams as necessary. Prioritized suppliers are requested to report to the CDP Supply Chain Water Security Questionnaire. The sustainability requirements of our suppliers are fully transparent and are communicated through annual sustainability kick-off webinars (including CDP Supply Chain and EcoVadis) and e-mails and our Onward Sustainability Program that explains explicit requirements and provides instruction and training to our supply base on how to meet our expectations across all elements of the program. Success is measured by: Increasing the number of suppliers who enroll in the SSP. For example, in 2021, we enrolled 1,372 suppliers into our SSP (cumulative since the program launch).

Comment

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

For prioritized facilities based on water stress, water depletion and the amount of water withdrawal, we aim to operate in line with the requirements of the International Alliance for Water Stewardship (AWS) Standard. We do this to addresses sustainable water management, water dependencies and impacts, responsible water procedures and building relationships with local water-related stakeholders, as well as achieving AWS Standard certification by 2025. This strategy includes engagement with relevant stakeholders in the local watershed. These stakeholders are determined through an evaluation supported by a consultant and collaboration activities with these stakeholders are included in the site's action plan to achieve the AWS Standard certification. Success is measured by tracking the progress against AWS Standard certification.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

United States of America	Delaware River
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Type of impact driver & Primary impact driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
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Primary impact

Impact on company assets

Description of impact

In September 2021, our R&D facility in Skillman, NJ, U.S., suffered significant flooding resulting from Hurricane Ida. Floodwaters damaged carpeting, walls and furniture across 425,000 sq. ft of floorspace. As well as minor impacts to site grounds, including roadway and storm water systems damage. The site was out of operation for a minimal amount of time and the scale of this incident is not considered substantive across J&J as a whole.

Primary response

Increase capital expenditure

Total financial impact

100000

Description of response

A comprehensive disaster recovery team immediately cleared out all affected areas and removed soaked carpeting, walls and other wet materials before beginning full restoration. Full restoration efforts are underway. Additional measures are being evaluated and implemented to mitigate similar potential impacts from occurring at this site in the future. Total financial impact is net of insurance recovery.

Country/Area & River basin

Germany	Rhine
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Type of impact driver & Primary impact driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
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Primary impact

Impact on company assets

Description of impact

On July 14, 2021, our manufacturing facility in Wuppertal, Germany suffered damage from a significant regional flooding event. The entire site was flooded and damaged production-critical services, several areas for technical service, R&D spare parts storage area, offices, locker rooms and the packaging department. The site was out of operation for a minimal amount of time and the scale of this incident is not considered substantive across J&J as a whole.

Primary response

Increase capital expenditure

Total financial impact

30000

Description of response

The fire brigade and a comprehensive disaster recovery team cleared out all affected areas and addressed flooded areas. Wuppertal employees were sent to a sister location in France to maximize their production capacity. Recovery/restoration of the Wuppertal site was implemented with a specialized company for flood recovery and local staff. They removed all damaged materials, walls, floors and equipment to be restored and initiated full cleaning and restoration. Full restoration efforts are still underway and scheduled for completion by year-end 2023. Additional measures are being evaluated and implemented to mitigate similar potential impacts from occurring in the future. Total financial impact is net of insurance recovery.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

1

Total value of fines

1100

% of total facilities/operations associated

1

Number of fines compared to previous reporting year

Lower

Comment

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty

Fine

Financial impact

1100

Country/Area & River basin

United States of America	Savannah River
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Type of incident

Effluent limit exceedances

Description of penalty, incident, regulatory violation, significance, and resolution

Inadvertent pumping of a 55-gallon drum of soap from a manufacturing area into the wastewater system created an upset condition of the phosphorus water treatment process, resulting in an exceedance of the phosphorus discharge limit. This was not a direct discharge to surface water but a discharge to a municipal wastewater treatment plant. Additional controls for pumping of the soap were implemented to prevent future events.

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Other

Tools and methods used

WRI Aqueduct

Internal company methods

External consultants

Other, please specify (Alliance for Water Stewardship (AWS) Standard)

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Employees
Local communities
NGOs
Water utilities at a local level
Other water users at the basin/catchment level

Comment

Each manufacturing and/or R&D site undergoes a water risk assessment by an internal Company method that evaluates water stress and water depletion, building upon the WRI Aqueduct tool. Based on the output of that evaluation and taking into account additional site information related to water withdrawal amounts, priority locations are identified to implement and certify the AWS Standard that addresses sustainable water management, water dependencies and impacts, responsible water procedures and building relationships with local water-related stakeholders. The AWS Standard further specifies requirements to assess and prioritize water risks. In addition, in 2021, all manufacturing and R&D locations underwent a facility climate risk assessment, including water risks such as flooding and drought risks, to prepare vital Johnson & Johnson sites to recover quickly from these impacts that can endanger employees and disrupt operations.

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Other

Tools and methods used

Internal company methods
Other, please specify (CDP Supply Chain Water Security; WRI Aqueduct, Ecovadis, External consultants)

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials

Stakeholders considered

Local communities
NGOs
Suppliers
Other water users at the basin/catchment level

Comment

As part of the EcoVadis assessment and corrective action plans - which is part of our Supplier Sustainability Program (SSP) - suppliers are required to provide details of policies and processes relating to water consumption, contamination and discharge. We have set a Health for Humanity 2025 Goal to enroll all suppliers in the SSP. A subset of suppliers, prioritized based on the water intensity of their operations and the level of water stress in the locations they operate, is requested to respond to the CDP Supply Chain Water Security Questionnaire. This information is used to evaluate suppliers for their water management maturity level. The information is also used in Supplier Scorecards, which include a mixture of other compliance, Environmental Health & Safety, sustainability and business continuity topics. These scorecards are reviewed on an ongoing basis with Company Procurement category leads to drive performance. Lastly, in 2021, key strategic suppliers underwent a facility climate risk assessment, including water risks such as flooding and drought risks, to prepare to recover quickly from these impacts that can disrupt operations.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Operations: The level of coverage of water-related risks is for all manufacturing and R&D sites within our operations (where the majority of our impacts are).

First of all, as per our internal J&J Environmental Health & Safety Standards, water stress risk is to be addressed in the site's Business Continuity Plan, if the site's location is identified as having extremely high-risk for water stress based on the WRI Aqueduct tool and has an annual water withdrawal of >30,000m³.

Furthermore, water risk is assessed using an internal Company method that builds upon the WRI Aqueduct tool to identify water stress and water depletion risks. Additionally, based on the output of that risk evaluation and taking into account additional site information related to water withdrawal amounts, priority locations are identified to implement and certify the Alliance for Water Stewardship (AWS) Standard. The implementation of the AWS Standard at these priority locations results in action plans for responsible practices that mitigate water risks, improve efficiency and address shared water challenges with stakeholders in the watershed, i.e., with other water users (both local utilities and other water users), NGOs, employees and local communities.

Additionally, in 2021, facility climate risks assessments were conducted by an external consultant for all manufacturing and R&D sites within our operations. The facility climate risks assessments included assessment of water risks (e.g., flooding and drought), based on variables such as precipitation, aridity, sea level rise and extreme water level at coasts. These risk assessments rate a site's exposure to the risks most likely to affect it and outline ways to help potentially minimize disruption and to aid recovery and highlights opportunities to update and strengthen a site's Business Continuity Plans including potential water-supply disruptions and flood defences.

The variables used in these assessments include risks/impact 10+ years in the future.

Value chain - supply chain: To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2025 Goal to enroll all of our suppliers in our Supplier Sustainability Program (SSP). As part of the EcoVadis assessment and corrective action plans, suppliers are required to provide details of policies and processes relating to water consumption, contamination and discharge. Suppliers with insufficient policies or processes are required to improve them through corrective action plans. Currently around 881 suppliers are in the EcoVadis program.

We further prioritize suppliers that may have more risk from being in an industry that is water-intensive and/or are located in an area of high water stress, using the WRI Aqueduct tool. These suppliers are requested to disclose more water-related information through the CDP Supply Chain Water Security Questionnaire. This information is used to evaluate suppliers for their water management maturity level. The information is also used in Supplier Scorecards, which include a mixture of other compliance, Environmental Health & Safety, sustainability and business continuity topics. These scorecards are reviewed on an ongoing basis with Company Procurement category leads to drive performance.

Lastly, key suppliers underwent a facility climate risk assessment in 2021, including water risks such as flooding and drought, based on variables such as precipitation, aridity, sea level rise and extreme water level at coasts. The assessments were performed by an external consultant. These risk assessments rate a site's exposure to the risks most likely to affect it and identifies opportunities to help prepare to recover quickly from these impacts that can disrupt operations.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Definition of 'substantive financial or strategic impact' when identifying or assessing climate-related risks:

Risk management requires a broad understanding of internal and external factors that can impact achievement of strategic and business objectives. Historically, risks to the Company's success have been categorized as Strategic, Operational, Compliance and Financial & Reporting. However, as the world in which we operate becomes more complex and unpredictable, the corresponding risks and their potential impact have increased (The World Economic Forum Global Risks Report). To ensure the Johnson & Johnson Enterprise Risk Management (ERM) Framework appropriately incorporates the evolving risk landscape, our risk categories now also address Environmental, Social and Cybersecurity risks. Additionally, the Compliance risk category has been expanded to explicitly include legal and regulatory risk.

Our thinking about risk categories is also informed by the results of internal risk assessments and risk assurance work, as well as insights from various industry sources such as: the Gartner Risk Management Leadership Council, The World Economic Forum Global Risks Report, The Global Reporting Initiative Framework, CDP and The Task Force on Climate-related Financial Disclosures.

Financial risks are categorized according to their ability to impact the achievement of strategic and business decisions, including in the context of financial targets based upon our Global Growth Drivers and overall business performance. We define substantive financial risk at the enterprise level in context of Securities & Exchange Commission required disclosures around "Risk Factors" which are publicly disclosed annually in our 10-K. These risk factors consider both various qualitative and quantitative variables in assessing the potential financial impact on the Enterprise.

While climate change can be expected to have profound implications on human health, the exact magnitude or probability of future risks and how those may impact J&J cannot be stated with precision. As a result, we use a definition for "substantive strategic impact" that enables us to analyze possible futures and put in place programs to increase the resilience of our organization in the face of uncertainty. Substantive strategic impacts are disclosed in this Report, which are risks/opportunities with a meaningful impact on reputation and/or public trust, potential for action that could impede J&J from manufacturing or distributing some product volume and are considered possible, likely, more likely or highly likely in the short- to long-term future.

All risks and opportunities disclosed meet the criteria for a substantive financial or strategic impact for the purposes of this report but do not necessarily meet the criteria for materiality per our financial disclosures.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	5	1-25	'Facilities' refers to all manufacturing and R&D sites as defined by our operational boundary. The total number of facilities exposed to water risk in this section are those for which water risk was identified as the predominant risk from our facility climate risk assessment and which were determined to have a substantive strategic impact.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Japan	Shinano, Chikuma
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Country/Area & River basin

Japan	Mogami
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Country/Area & River basin

United States of America	Savannah River
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Country/Area & River basin

Puerto Rico	Other, please specify (Río Gurabo)
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Country/Area & River basin

Italy	Other, please specify (Southern Apennines GHAAS Basin 4131)
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Japan	Shinano, Chikuma
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Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Impact on company assets

Company-specific description

For manufacturing and R&D sites within our operations, facility climate risks are identified, including water risks such as flooding and drought, based on variables such as precipitation, aridity, sea level rise and extreme water level at coasts. These risk assessments rate a site's exposure to the risks most likely to affect it and outline the ways to help potentially minimize disruption and to aid recovery. They also highlight opportunities to update and strengthen a site's Business Continuity Plans, including potential water-supply disruptions and flood defenses. The facilities exposed to water risk are those for which water risk was identified as the predominant risk from our facility climate risk assessment and which were determined to have a substantive strategic impact.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4600000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The financial impact is a maximum estimate of potential property damage based on current insured value.

Primary response to risk

Amend the Business Continuity Plan

Description of response

Based on the outcome of the facility climate risk assessment, including water risks, we identified several opportunities to improve business resilience, such as access to reliable energy and water supply in the event of a disruption that we will build into our long-range capital planning process. Several projects are planned and budgeted, including a potable water tank, storm water pumps and additional emergency generation.

Cost of response

1004000

Explanation of cost of response

The cost of the response includes the cost of equipment that will increase the resilience of the location during a water-related disruption.

Country/Area & River basin

Japan	Mogami
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Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Impact on company assets

Company-specific description

For manufacturing and R&D sites within our operations, facility climate risks are identified, including water risks such as flooding and drought, based on variables such as precipitation, aridity, sea level rise and extreme water level at coasts. These risk assessments rate a site's exposure to the risks most likely to affect it and outline the ways to help potentially minimize disruption and to aid recovery. They also highlight opportunities to update and strengthen a site's Business Continuity Plans, including potential water-supply disruptions and flood defenses. The facilities exposed to water risk are those for which water risk was identified as the predominant risk from our facility climate risk assessment and which were determined to have a substantive strategic impact.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

15300000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The financial impact is a maximum estimate of potential property damage based on current insured value.

Primary response to risk

Amend the Business Continuity Plan

Description of response

Based on the outcome of the facility climate risk assessment, including water risks, we identified several opportunities to improve business resilience such as access to reliable energy and water supply in the event of a disruption that we will build into our long-range capital planning process. Several projects are planned and budgeted, including a potable water tank, storm water pumps and additional emergency generation.

Cost of response

1510000

Explanation of cost of response

The cost of the response includes the cost of equipment that will increase the resilience of the location during a water-related disruption.

Country/Area & River basin

United States of America	Savannah River
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Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
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Primary potential impact

Other, please specify (Property damage)

Company-specific description

For manufacturing and R&D sites within our operations, facility climate risks are identified, including water risks such as flooding and drought, based on variables such as precipitation, aridity, sea level and extreme water level at coasts. These risk assessments rate a site's exposure to the risks most likely to affect it and outline the ways to help potentially minimize disruption and to aid recovery. They also highlight opportunities to update and strengthen a site's Business Continuity Plans, including potential water-supply disruptions and flood defenses. The facilities exposed to water risk are those for which water risk was identified as the predominant risk from our facility climate risk assessment and which were determined to have a substantive strategic impact.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

32700000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The financial impact is a maximum estimate of potential property damage based on current insured value.

Primary response to risk

Amend the Business Continuity Plan

Description of response

Based on the outcome of the facility climate risk assessment, including water risks, we identified several opportunities to improve business resilience such as access to reliable energy and water supply in the event of a disruption that we will build into our long-range capital planning process. Several projects are planned and budgeted, including a potable water tank, storm water pumps and additional emergency generation.

Cost of response

90000

Explanation of cost of response

The cost of the response includes the cost for equipment that will increase the resilience of the location during a water-related disruption.

Country/Area & River basin

Puerto Rico	Other, please specify (Río Gurabo)
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Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Impact on company assets

Company-specific description

For manufacturing and R&D sites within our operations, facility climate risks are identified, including water risks such as flooding and drought, based on variables such as precipitation, aridity, sea level and extreme water level at coasts. These risk assessments rate a site's exposure to the risks most likely to affect it and outline the ways to help potentially minimize disruption and to aid recovery. They also highlight opportunities to update and strengthen a site's Business Continuity Plans, including potential water-supply disruptions and flood defenses. The facilities exposed to water risk are those for which water risk was identified as the predominant risk from our facility climate risk assessment and which were determined to have a substantive strategic impact.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

52100000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The financial impact is a maximum estimate of potential property damage based on current insured value.

Primary response to risk

Amend the Business Continuity Plan

Description of response

Based on the outcome of the facility climate risk assessment, including water risks, we identified several opportunities to improve business resilience such as access to reliable energy and water supply in the event of a disruption that we will build into our long-range capital planning process. Several projects are planned and budgeted, including a potable water tank, storm water pumps and additional emergency generation.

Cost of response

580000

Explanation of cost of response

The cost of the response includes the cost for equipment that will increase the resilience of the location during a water-related disruption.

Country/Area & River basin

Italy	Other, please specify (Southern Apennines)
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Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Impact on company assets

Company-specific description

For manufacturing and R&D sites within our operations, facility climate risks are identified, including water risks such as flooding and drought, based on variables such as precipitation, aridity, sea level rise and extreme water level at coasts. These risk assessments rate a site's exposure to the risks most likely to affect it and outline the ways to help potentially minimize disruption and to aid recovery. They also highlight opportunities to update and strengthen a site's Business Continuity Plans, including potential water-supply disruptions and flood defenses. The facilities exposed to water risk are those for which water risk was identified as the predominant risk from our facility climate risk assessment and which were determined to have a substantive strategic impact.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

48900000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The financial impact is a maximum estimate of potential property damage based on current insured value.

Primary response to risk

Amend the Business Continuity Plan

Description of response

Based on the outcome of the facility climate risk assessment, including water risks, we identified several opportunities to improve business resilience such as access to reliable energy and water supply in the event of a disruption that we will build into our long-range capital planning process. Several projects are planned and budgeted, including a potable water tank, storm water pumps and additional emergency generation.

Cost of response

720000

Explanation of cost of response

The cost of the response includes the cost for equipment that will increase the resilience of the location during a water-related disruption.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America	St. Lawrence
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Stage of value chain

Supply chain

Type of risk & Primary risk driver

Chronic physical	Water stress
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Primary potential impact

Supply chain disruption

Company-specific description

As the world's largest, most broadly-based healthcare company, J&J maintains operations in virtually all countries of the world and works with more than 45,000 suppliers across our three business segments. We manage a highly complex network of supplier relationships that are critical to business success and our ability to fulfil our obligations to those we serve. Water stress is anticipated to increase as climate change impacts global precipitation patterns and exacerbates droughts in certain areas. This can be expected to impact our global supply chain, particularly for some water-intensive industries such as chemicals or pharmaceutical ingredients. Water stress varies greatly throughout our supply chain, which may contain some water-intensive suppliers (such as pharmaceutical ingredients or chemicals). As part of our supply chain program, we assess annually a list of suppliers for multiple criteria, including if they are in a water-intensive industry or a region of water stress (using the WRI Aqueduct tool) and request that they report using the 2021 CDP Supply Chain Water Security Questionnaire. While we view the primary benefit of this process as increasing the knowledge of water risk within our supply chain, we are beginning to assess which of the risks our suppliers report, if any, can directly translate to a financial impact to J&J. We evaluated a subset of suppliers that reported a quantified financial risk to the 2021 CDP Supply Chain Water Security Questionnaire and indicated that their response may have some impact on J&J. Of this subset, we estimated the potential financial impact to J&J and subsequently selected the suppliers that represent 80% of the total potential financial impact to J&J. The following river basins were associated with the aforementioned criteria: St. Lawrence (U.S.), Colorado River (U.S.), St. Johns River (U.S.), Bravo (Mexico) and Chao Phraya (Thailand). These suppliers reported risks (such increased water stress and severe weather events) that could translate into financial impacts that could potentially increase their costs to customers in the event that risk mitigation was not possible. The countries and river basins reported in this question is a subset of our suppliers who have provided information to the 2021 CDP Supply Chain Water Security Questionnaire and reported a detrimental water-related impact and is not reflective of all areas of physical water stress.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The potential financial impact figure is calculated from supplier-reported financial impacts from water-related risks in Johnson & Johnson's 2021 request to respond to the CDP Supply Chain Water Security Questionnaire. Johnson & Johnson then allocated a total financial impact based on Johnson & Johnson's spend relative to total revenue of those specific suppliers (for example, if Supplier A's total revenue was \$1 million, Johnson & Johnson's spend was \$100,000 and they reported a risk of \$200,000, J&J's allocated cost would be $(\$100k/\$1M)*(\$200k)=\$20k$). This resulted in an allocated potential financial risk of about \$5 million.

Primary response to risk

Supplier engagement	Increase supplier reporting on water
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Description of response

To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2025 Goal to enroll all suppliers in our Supplier Sustainability Program (SSP). The SSP helps us expand supplier engagement to a more strategic level in which suppliers may partner with us to improve ESG impacts throughout our supply base. Success is measured by: Increasing the number of suppliers who enroll in the SSP program. For example, in 2021, we enrolled 1,372 suppliers into our SSP (cumulative since the program launch). For water risk specifically, we also review if they are in a water-intensive industry and/or a region of water stress, using the WRI Aqueduct tool. For this selection of suppliers we also request that suppliers report using the CDP Supply Chain Water Security Questionnaire. Johnson & Johnson incentivizes suppliers to report by including their CDP score in our Supplier Scorecards (which include a mixture of other compliance, Environmental Health & Safety, sustainability and business continuity topics) and are reviewed on an ongoing basis with business segment leads. Success is measured by the number of suppliers responding to the CDP Supply Chain Water Security Questionnaire. In 2021, 101 suppliers responded to the CDP Supply Chain Water Security Questionnaire (75% participation rate).

Cost of response

76000

Explanation of cost of response

The cost of the response includes fees to the CDP supply chain program, which is our primary method of collecting water data (qualitative and quantitative) from our suppliers. This cost is recurring.

Country/Area & River basin

United States of America	Colorado River (Pacific Ocean)
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Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical	Drought
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Primary potential impact

Supply chain disruption

Company-specific description

As the world's largest, most broadly-based healthcare company, J&J maintains operations in virtually all countries of the world and works with more than 45,000 suppliers across our three business segments. We manage a highly complex network of supplier relationships that are critical to business success and our ability to fulfil our obligations to those we serve. Water stress is anticipated to increase as climate change impacts global precipitation patterns and exacerbates droughts in certain areas. This can be expected to impact our global supply chain, particularly for some water-intensive industries such as chemicals or pharmaceutical ingredients. Water stress varies greatly throughout our supply chain, which may contain some water-intensive suppliers (such as pharmaceutical ingredients or chemicals). As part of our supply chain program, we assess annually a list of suppliers for multiple criteria, including if they are in a water-intensive industry or a region of water stress (using the WRI Aqueduct tool) and request that they report using the 2021 CDP Supply Chain Water Security Questionnaire. While we view the primary benefit of this process as increasing the knowledge of water risk within our supply chain, we are beginning to assess which of the risks our suppliers report, if any, can directly translate to a financial impact to J&J. We evaluated a subset of suppliers that reported a quantified financial risk to the 2021 CDP Supply Chain Water Security Questionnaire and indicated that their response may have some impact on J&J. Of this subset, we estimated the potential financial impact to J&J and subsequently selected the suppliers that represent 80% of the total potential financial impact to J&J. The following river basins were associated with the aforementioned criteria: St. Lawrence (U.S.), Colorado River (U.S.), St. Johns River (U.S.), Bravo (Mexico) and Chao Phraya (Thailand). These suppliers reported risks (such as increased water stress and severe weather events) that could translate into financial impacts that could potentially increase their costs to customers in the event that risk mitigation was not possible. The countries and river basins reported in this question is a subset of our suppliers who have provided information to the 2021 CDP Supply Chain Water Security Questionnaire and reported a detrimental water-related impact and is not reflective of all areas of physical water stress.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The potential financial impact figure is calculated from supplier-reported financial impacts from water-related risks in Johnson & Johnson's 2021 request to respond to the CDP Supply Chain Water Security Questionnaire. Johnson & Johnson then allocated a total financial impact based on Johnson & Johnson's spend relative to total revenue of those specific suppliers (for example, if Supplier A's total revenue was \$1 million, Johnson & Johnson's spend was \$100,000, and they reported a risk of \$200,000, J&J's allocated cost would be $(\$100k/\$1M)*(\$200k)=\$20k$). This resulted in an allocated potential financial risk of about \$5 million.

Primary response to risk

Supplier engagement	Increase supplier reporting on water
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Description of response

To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2025 Goal to enroll all suppliers in our Supplier Sustainability Program (SSP). The SSP helps us expand supplier engagement to a more strategic level in which suppliers may partner with us to improve ESG impacts throughout our supply base. Success is measured by: Increasing the number of suppliers who enroll in the SSP program. For example, in 2021, we enrolled 1,372 suppliers into our SSP (cumulative since the program launch). For water risk specifically, we also review if they are in a water-intensive industry and/or a region of water stress, using the WRI Aqueduct tool. For this selection of suppliers, we also request that suppliers report using the CDP Supply Chain Water Security Questionnaire. Johnson & Johnson incentivizes suppliers to report by including their CDP score in our Supplier Scorecards (which include a mixture of other compliance, EHS, sustainability and business continuity topics) and are reviewed on an ongoing basis with business segment leads. Success is measured by the number of suppliers responding to the CDP Supply Chain Water Security Questionnaire. In 2021, 101 suppliers responded to the CDP Supply Chain Water Security Questionnaire (75% participation rate).

Cost of response

76000

Explanation of cost of response

The cost of the response includes fees to the CDP supply chain program, which is our primary method of collecting water data (qualitative and quantitative) from our suppliers. This cost is recurring.

Country/Area & River basin

United States of America	St. Johns River
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Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
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Primary potential impact

Supply chain disruption

Company-specific description

As the world's largest, most broadly-based healthcare company, J&J maintains operations in virtually all countries of the world and works with more than 45,000 suppliers across our three business segments. We manage a highly complex network of supplier relationships that are critical to business success and our ability to fulfil our obligations to those we serve. Water stress is anticipated to increase as climate change impacts global precipitation patterns and exacerbates droughts in certain areas. This can be expected to impact our global supply chain, particularly for some water-intensive industries such as chemicals or pharmaceutical ingredients. Water stress varies greatly throughout our supply chain, which may contain some water-intensive suppliers (such as pharmaceutical ingredients or chemicals). As part of our supply chain program, we assess annually a list of suppliers for multiple criteria, including if they are in a water-intensive industry or a region of water stress (using the WRI Aqueduct tool) and request that they report using the 2021 CDP Supply Chain Water Security Questionnaire. While we view the primary benefit of this process as increasing the knowledge of water risk within our supply chain, we are beginning to assess which of the risks our suppliers report, if any, can directly translate to a financial impact to J&J. We evaluated a subset of suppliers that reported a quantified financial risk to the 2021 CDP Supply Chain Water Security Questionnaire and indicated that their response may have some impact on J&J. Of this subset we estimated the potential financial impact to J&J, and subsequently selected the suppliers that represent 80% of the total potential financial impact to J&J. The following river basins were associated with the aforementioned criteria: St. Lawrence (U.S.), Colorado River (U.S.), St. Johns River (U.S.), Bravo (Mexico) and Chao Phraya (Thailand). These suppliers reported risks (such as increased water stress and severe weather events) that could translate into financial impacts that could potentially increase their costs to customers in the event that risk mitigation was not possible. The countries and river basins reported in this question is a subset of our suppliers who have provided information to the 2021 CDP Supply Chain Water Security Questionnaire and reported a detrimental water-related impact and is not reflective of all areas of physical water stress.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The potential financial impact figure is calculated from supplier-reported financial impacts from water-related risks in Johnson & Johnson's 2021 request to respond to the CDP Supply Chain Water Security Questionnaire. Johnson & Johnson then allocated a total financial impact based on J&J's spend relative to total revenue of those specific suppliers (for example, if Supplier A's total revenue was \$1 million, Johnson & Johnson's spend was \$100,000, and they reported a risk of \$200,000 Johnson & Johnson's allocated cost would be $(\$100k/\$1M)*(\$200k)=\$20k$). This resulted in an allocated potential financial risk of about \$ 1 million.

Primary response to risk

Supplier engagement	Increase supplier reporting on water
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Description of response

To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2025 Goal to enroll all suppliers in our Supplier Sustainability Program (SSP). The SSP helps us expand supplier engagement to a more strategic level in which suppliers may partner with us to improve ESG impacts throughout our supply base. Success is measured by: Increasing the number of suppliers who enroll in the SSP program. For example, in 2021, we enrolled 1,372 suppliers into our SSP (cumulative since the program launch). For water risk specifically, we also review if they are in a water-intensive industry and/or a region of water stress, using the WRI Aqueduct tool. For this selection of suppliers, we also request that suppliers report using the CDP Supply Chain Water Security Questionnaire. J&J incentivizes suppliers to report by including their CDP score in our Supplier Scorecards, (which include a mixture of other compliance, Environmental Health & Safety, sustainability and business continuity topics) and are reviewed on an ongoing basis with business segment leads. Success is measured by the number of suppliers responding to the CDP Supply Chain Water Security Questionnaire. In 2021, 101 suppliers responded to the CDP Supply Chain Water Security Questionnaire (75% participation rate).

Cost of response

76000

Explanation of cost of response

The cost of the response includes fees to the CDP supply chain program, which is our primary method of collecting water data (qualitative and quantitative) from our suppliers. This cost is recurring.

Country/Area & River basin

Mexico	Bravo
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Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical	Drought
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Primary potential impact

Supply chain disruption

Company-specific description

As the world's largest, most broadly-based healthcare company, J&J maintains operations in virtually all countries of the world and works with more than 45,000 suppliers across our three business segments. We manage a highly complex network of supplier relationships that are critical to business success and our ability to fulfil our obligations to those we serve. Water stress is anticipated to increase as climate change impacts global precipitation patterns and exacerbates droughts in certain areas. This can be expected to impact our global supply chain, particularly for some water-intensive industries such as chemicals or pharmaceutical ingredients. Water stress varies greatly throughout our supply chain, which may contain some water-intensive suppliers (such as pharmaceutical ingredients or chemicals). As part of our supply chain program, we assess annually a list of suppliers for multiple criteria, including if they are in a water-intensive industry or a region of water stress (using the WRI Aqueduct tool) and request that they report using the 2021 CDP Supply Chain Water Security Questionnaire. While we view the primary benefit of this process as increasing the knowledge of water risk within our supply chain, we are beginning to assess which of the risks our suppliers report, if any, can directly translate to a financial impact to J&J. We evaluated a subset of suppliers that reported a quantified financial risk to the 2021 CDP Supply Chain Water Security Questionnaire and indicated that their response may have some impact on J&J. Of this subset we estimated the potential financial impact to J&J, and subsequently selected the suppliers that represent 80% of the total potential financial impact to J&J. The following river basins were associated with the aforementioned criteria: St. Lawrence (U.S.), Colorado River (U.S.), St. Johns River (U.S.), Bravo (Mexico) and Chao Phraya (Thailand). These suppliers reported risks (such as increased water stress and severe weather events) that could translate into financial impacts that could potentially increase their costs to customers in the event that risk mitigation was not possible. The countries and river basins reported in this question is a subset of our suppliers who have provided information to the 2021 CDP Supply Chain Water Security Questionnaire and reported a detrimental water-related impact and is not reflective of all areas of physical water stress.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The potential financial impact figure is calculated from supplier-reported financial impacts from water-related risks in Johnson & Johnson's 2021 request to respond to the CDP Supply Chain Water Security Questionnaire. Johnson & Johnson then allocated a total financial impact based on Johnson & Johnson's spend relative to total revenue of those specific suppliers (for example, if Supplier A's total revenue was \$1 million, Johnson & Johnson's spend was \$100,000, and they reported a risk of \$200,000, Johnson & Johnson's allocated cost would be $(\$100k/\$1M)*(\$200k)=\$20k$). This resulted in an allocated potential financial risk of about \$1 million.

Primary response to risk

Supplier engagement	Increase supplier reporting on water
---------------------	--------------------------------------

Description of response

To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2025 Goal to enroll all suppliers in our Supplier Sustainability Program (SSP). The SSP helps us expand supplier engagement to a more strategic level in which suppliers may partner with us to improve ESG impacts throughout our supply base. Success is measured by: Increasing the number of suppliers who enroll in the SSP program. For example, in 2021, we enrolled 1,372 suppliers into our SSP (cumulative since the program launch). For water risk specifically, we also review if they are in a water-intensive industry and/or a region of water stress, using the WRI Aqueduct tool. For this selection of suppliers, we also request that suppliers report using the CDP Supply Chain Water Security Questionnaire. Johnson & Johnson incentivizes suppliers to report by including their CDP score in our Supplier Scorecards (which include a mixture of other compliance, Environmental Health & Safety, sustainability and business continuity topics) and are reviewed on an ongoing basis with business segment leads. Success is measured by the number of suppliers responding to the CDP Supply Chain Water Security Questionnaire. In 2021, 101 suppliers responded to the CDP Supply Chain Water Security Questionnaire (75% participation rate).

Cost of response

76000

Explanation of cost of response

The cost of the response includes fees to the CDP supply chain program, which is our primary method of collecting water data (qualitative and quantitative) from our suppliers. This cost is recurring.

Country/Area & River basin

Thailand	Chao Phraya
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Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
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Primary potential impact

Supply chain disruption

Company-specific description

As the world's largest, most broadly-based healthcare company, J&J maintains operations in virtually all countries of the world and works with more than 45,000 suppliers across our three business segments. We manage a highly complex network of supplier relationships that are critical to business success and our ability to fulfil our obligations to those we serve. Water stress is anticipated to increase as climate change impacts global precipitation patterns and exacerbates droughts in certain areas. This can be expected to impact our global supply chain, particularly for some water-intensive industries such as chemicals or pharmaceutical ingredients. Water stress varies greatly throughout our supply chain, which may contain some water-intensive suppliers (such as pharmaceutical ingredients or chemicals). As part of our supply chain program, we assess annually a list of suppliers for multiple criteria, including if they are in a water-intensive industry or a region of water stress (using the WRI Aqueduct tool) and request that they report using the 2021 CDP Supply Chain Water Security Questionnaire. While we view the primary benefit of this process as increasing the knowledge of water risk within our supply chain, we are beginning to assess which of the risks our suppliers report, if any, can directly translate to a financial impact to J&J. We evaluated a subset of suppliers that reported a quantified financial risk to the 2021 CDP Supply Chain Water Security Questionnaire and indicated that their response may have some impact on J&J. Of this subset we estimated the potential financial impact to J&J, and subsequently selected the suppliers that represent 80% of the total potential financial impact to J&J. The following river basins were associated with the aforementioned criteria: St. Lawrence (U.S.), Colorado River (U.S.), St. Johns River (U.S.), Bravo (Mexico) and Chao Phraya (Thailand). These suppliers reported risks (such increased water stress and severe weather events) that could translate into financial impacts that could potentially increase their costs to customers in the event that risk mitigation was not possible. The countries and river basins reported in this question is a subset of our suppliers who have provided information to the 2021 CDP Supply Chain Water Security Questionnaire and reported a detrimental water-related impact and is not reflective of all areas of physical water stress.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The potential financial impact figure is calculated from supplier-reported financial impacts from water-related risks in Johnson & Johnson's 2021 request to respond to the CDP Supply Chain Water Security Questionnaire. Johnson & Johnson then allocated a total financial impact based on Johnson & Johnson's spend relative to total revenue of those specific suppliers (for example, if Supplier A's total revenue was \$1 million Johnson & Johnson's spend was \$100,000, and they reported a risk of \$200,000 Johnson & Johnson's allocated cost would be $(100k/\$1M)*(\$200k)=20k$). This resulted in an allocated potential financial risk of about \$ 1 million.

Primary response to risk

Supplier engagement	Increase supplier reporting on water
---------------------	--------------------------------------

Description of response

To prioritize engagement around sustainability issues including water, we have set a Health for Humanity 2025 Goal to enroll all suppliers in our Supplier Sustainability Program (SSP). The SSP helps us expand supplier engagement to a more strategic level in which suppliers may partner with us to improve ESG impacts throughout our supply base. Success is measured by: Increasing the number of suppliers who enroll in the SSP program. For example, in 2020, we have enrolled 1,372 suppliers into our SSP (cumulative since the program launch). For water risk specifically, we also review if they are in a water-intensive industry and/or a region of water stress, using the WRI Aqueduct tool. For this selection of suppliers, we also request that suppliers report using the CDP Supply Chain Water Security Questionnaire. J&J incentivizes suppliers to report by including their CDP score in our Supplier Scorecards (which include a mixture of other compliance, Environmental Health & Safety, sustainability and business continuity topics) and are reviewed on an ongoing basis with business segment leads. Success is measured by the number of suppliers responding to the CDP Supply Chain Water Security Questionnaire. In 2021, 101 suppliers responded to the CDP Supply Chain Water Security Questionnaire (75% participation rate).

Cost of response

76000

Explanation of cost of response

The cost of the response includes fees to the CDP supply chain program, which is our primary method of collecting water data (qualitative and quantitative) from our suppliers. This cost is recurring.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

Operational savings are one aspect of our water risk program that presents an opportunity, particularly in areas of high water risk where current or future water supply disruptions may cause the price of water to increase or limit its availability. We use natural resources to make our products that millions of people rely on every day. It is vitally important that we operate our business within planetary boundaries. Equally, economies realized through resource efficiency support business resilience and continuity. As part of our Health for Humanity 2020 Goal, we managed this opportunity by conducting a comprehensive water risk assessment at 100% of manufacturing and R&D sites and are implementing resource protection plans at the high-risk sites. These resource protection plans considered water issues such as: water stress/scarcity, projected future increases in site and watershed demand, upstream storage, flooding, drought, watershed health, community safe water and sewer access, total water use, economic implications (water spend) and reputational impacts. Several projects from these resource protection plans continued into 2021. In addition, several other locations implemented water projects as part of continuous improvement. In many cases, the result of these water projects are ongoing operational savings from reduced water consumption. This is an actual positive benefit for the organization. As a result of these efforts, we have decreased global water withdrawal per million USD revenue from 1.83 million m3 in 2010 to 1.18 million m3 in 2021 – a reduction of 36%. As a case study, at our facility in Jacksonville, Fla. (U.S.), a water softener was installed in 2021 to improve the electrical and water efficiency of the chilled water system, resulting in a yearly water saving of about 80,000 m3.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

307000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Financial impact was calculated based on the range of yearly estimated cost savings/avoidance from projects realized in 2021. The cost savings for these projects are derived from reduced water and the average cost of water.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Country/Area & River basin

Japan	Shinano, Chikuma
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Latitude

35.158772

Longitude

138.894944

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

11.66

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

1.15

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

4.02

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

6.49

Total water discharges at this facility (megaliters/year)

10.46

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

10.46

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

1.2

Comparison of total consumption with previous reporting year

Lower

Please explain

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. We anticipate water volumes to increase back to pre-pandemic levels as employees return to work. After that normalization, we expect volumes to stay the same or decrease in the future (offsetting growth) as we continue to implement water efficiency projects.

Facility reference number

Facility 2

Facility name (optional)

2

Country/Area & River basin

Japan	Mogami
-------	--------

Latitude

37.291399

Longitude

140.319635

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

12.8

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0.01

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

12.79

Total water discharges at this facility (megaliters/year)

10.83

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

10.83

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

1.98

Comparison of total consumption with previous reporting year

About the same

Please explain

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. We anticipate water volumes to increase back to pre-pandemic levels as employees return to work. After that normalization, we expect volumes to stay the same or decrease in the future (offsetting growth) as we continue to implement water efficiency projects.

Facility reference number

Facility 3

Facility name (optional)

Facility 3

Country/Area & River basin

United States of America	Savannah River
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Latitude

34.530571

Longitude

-83.533225

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

220.99

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

220.99

Total water discharges at this facility (megaliters/year)

220.99

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

220.99

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

Much lower

Please explain

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. We anticipate water volumes to increase back to pre-pandemic levels as employees return to work. After that normalization, we expect volumes to stay the same or decrease in the future (offsetting growth) as we continue to implement water efficiency projects.

Facility reference number

Facility 4

Facility name (optional)

Facility 4

Country/Area & River basin

Puerto Rico	Other, please specify (Río Gurabo)
-------------	------------------------------------

Latitude

18.245245

Longitude

-65.949279

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

294.94

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

40.77

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

254.17

Total water discharges at this facility (megaliters/year)

212.75

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

212.75

Total water consumption at this facility (megaliters/year)

82.19

Comparison of total consumption with previous reporting year

Lower

Please explain

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. We anticipate water volumes to increase back to pre-pandemic levels as employees return to work. After that normalization, we expect volumes to stay the same or decrease in the future (offsetting growth) as we continue to implement water efficiency projects.

Facility reference number

Facility 5

Facility name (optional)

Facility 5

Country/Area & River basin

Italy	Other, please specify (Southern Apennines)
-------	--

Latitude

41.452733

Longitude

12.94333

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

356.11

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

356.11

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

194.96

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

194.96

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

161.15

Comparison of total consumption with previous reporting year

Higher

Please explain

Volumes are sourced from direct measurements and substituted with mass balance equations when necessary. Consumption is withdrawals minus discharges. We anticipate water volumes to increase back to pre-pandemic levels as employees return to work. After that normalization, we expect volumes to stay the same or decrease in the future (offsetting growth) as we continue to implement water efficiency projects.

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

Water-related data reported in our annual Health for Humanity Report undergo third-party verification.

Please explain

<Not Applicable>

Water withdrawals – volume by source

% verified

76-100

Verification standard used

Water-related data reported in our annual Health for Humanity Report undergo third-party verification.

Please explain

<Not Applicable>

Water withdrawals – quality by standard water quality parameters

% verified

76-100

Verification standard used

All sites must verify drinking water quality and use an accredited lab for review.

Please explain

<Not Applicable>

Water discharges – total volumes

% verified

76-100

Verification standard used

Water-related data reported in our annual Health for Humanity Report undergo third-party verification.

Please explain

<Not Applicable>

Water discharges – volume by destination

% verified

76-100

Verification standard used

Water-related data reported in our annual Health for Humanity Report undergo third-party verification.

Please explain

<Not Applicable>

Water discharges – volume by final treatment level

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Water discharges by final treatment level is not reported in our annual Health for Humanity Report and does not undergo third-party verification.

Water discharges – quality by standard water quality parameters

% verified

76-100

Verification standard used

All sites have to have a verification of their effluent water quality and use an accredited lab for measurements.

Please explain

<Not Applicable>

Water consumption – total volume

% verified

76-100

Verification standard used

Water-related data reported in our annual Health for Humanity Report undergo third-party verification.

Please explain

<Not Applicable>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

Row	Scope	Content	Please explain
1	Company-wide	<p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Description of water-related performance standards for direct operations</p> <p>Description of water-related standards for procurement</p> <p>Reference to international standards and widely-recognized water initiatives</p> <p>Company water targets and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to water-related innovation</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>We outline our water-related policies in our 1) Position on Water and Waste Management (describes our dependence and business impact on water, commitments beyond regulatory compliance, water stewardship and/or collective action, water-related innovation and the links between water and climate change); 2) our Position on the Human Right to Water (as defined by the United Nations); 3) our annual Health for Humanity Report (describes our Company's water-related initiatives and internal water risk programs and commitment to stakeholder awareness and action); 4) our J&J Responsibility Standards for Suppliers, and 5) our Position on Impact of Pharmaceuticals and Personal Care Products in the Environment (PCPE). As part of our commitment to better health for all, we strive to conserve water resources and meet the water demand for our operations without limiting the availability or quality of water resources to others. We adhere to applicable regulatory requirements relating to water withdrawal, consumption, and wastewater at all our sites. We also require our sites to comply with our internal J&J EHS Standards governing water management, applying the more stringent standard in cases where there is a difference between regulatory requirements and our internal standards. We monitor all water withdrawals as part of our approach to water efficiency and water risk management. We commit to provide safe drinking water and sanitation facilities for our employees and require all our facilities to determine, at least annually, the acceptability of drinking water supply by applying local, regional, or national drinking water quality standards. Where there are no such standards, the World Health Organization guidelines are applied. We assess water stress at all our manufacturing and R&D sites and prioritize sustainable water management at locations with high water stress, in line with the requirements of the Alliance for Water Stewardship Standard to achieve certification. We work to improve water use efficiency across our operations by reducing water demand, increasing water reuse and prioritizing water management actions using a risk-based approach that accounts for location-specific water risks at our sites worldwide. Such measures include manufacturing and engineering improvements and innovation. We engage with our suppliers across the world to take a responsible position on water stewardship through enrollment in our suppliers in our Supplier Sustainability Program.</p>

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Other C-Suite Officer	Johnson & Johnson's corporate governance structure is comprised of an external Board of Directors, represented by independent Directors and the Executive Chairman and CEO as Johnson & Johnson employees; and an internal management leadership group – the Executive Committee. The individual with responsibility for water-related issues is the Executive Vice President & Chief Global Supply Chain Officer. As a member of the Executive Committee and a management representative on the Johnson & Johnson Board of Directors' Regulatory Compliance Committee and Science, Technology & Sustainability Committee (STSC), this position has direct oversight of the Environmental Health & Safety and the Office of Sustainability. The Executive Vice President & Chief Global Supply Chain Officer oversees the Enterprise Risk Management work, which includes both water-related issues and flooding. The individual also approved the budget for the facility climate risk assessment work that took place in 2021 and prioritized facilities for the Alliance for Water Stewardship (AWS) Standard risk assessment. Responsibility for water-related issues have been assigned to this position because it has direct responsibility for many inter-related climate and water-related risks and opportunities, including all aspects of supply chain and procurement for Johnson & Johnson's business segments (Consumer Health, MedTech and Pharmaceutical). Examples of water-related decisions made by this individual/committee: This position approved the budget for the facility climate risk assessment work in 2021, which led to the risk mitigation work disclosed in W4.2 above. This position also approved the approach to prioritize sustainable water management at locations with high water stress, in line with the requirements of the AWS Standard to achieve certification.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	Every quarter progress towards achieving Alliance for Water Stewardship Standard implementation and certification for prioritized sites is reported to the Chief Sustainability Officer (CSO), who leads the Office of Sustainability and to the Executive Vice President & Chief Global Supply Chain Officer, who is a member of the Company's Executive Committee, and a management representative on the Science, Technology & Sustainability Committee (STSC) and the Regulatory Compliance Committee of the J&J Board of Directors. The Executive Vice President & Chief Global Supply Chain Officer also brings the topic of supply chain risk review to the agenda of the Regulatory Compliance Committee of the J&J Board of Directors on a yearly basis. This supply chain risk review considers water-related risks such as flooding and drought. Other topics would be scheduled line items only if there were new policies implemented. Otherwise, these would be as important matters arise. Additionally, several of these mechanisms have water risk integrated into the process but may not be reported to the board as a specific line item unless it is critical or requires additional input. For example, only the top risks are presented when an acquisition is presented to the Board, of which water is not likely to be at the top. Similarly, water budgets are typically handled through business segments but may have further review if needed. The Executive Vice President & Chief Global Supply Chain Officer has ultimate approval over all water risk strategy, policies and release of water risk-related information.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	Johnson & Johnson Board of Director members demonstrate competence on ESG issues, inclusive of those climate-related, as they are embedded in Our Credo values and Our Purpose to change the trajectory of health for humanity. Specific to climate-related risks, opportunities and impacts, the criteria we use to assess competence of Board members include, but are not limited to, leveraging scientific training to advocate for solutions at the intersection of human health and climate health; experience with product innovation that addresses opportunities to unlock business value; and expertise in technological solutions related to enabling significant shifts in approaches, including new business models, to maintain long-term business resilience.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Sustainability Officer (CSO)

Responsibility

Assessing water-related risks and opportunities
 Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The CSO reports the status of water-related activities to the Executive Vice President & Chief Global Supply Chain Officer (the highest level of responsibility), who is a member of the Company's Executive Committee, at least annually. The CSO is invited to Board Committee meetings for ESG agenda items as needed. Several lines of business directly responsible for environmental sustainability issues, including water risk, report to the CSO. For example, when J&J determined that water risk is an aspect that extends beyond the boundaries of facilities and involves local stakeholders in the watershed, subject matter experts worked with the CSO to identify an approach to prioritize sites to aim for implementation and certification to the Alliance for Water Stewardship Standard, which includes building relationships with local water-related stakeholders and addressing challenges shared with others in the catchment.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Purchasing Officer (CPO) Other C-suite Officer (Executive Vice President & Chief Global Supply Chain Officer)	Supply chain engagement Other, please specify (Implementation of water risk mitigation plans)	Executive Vice President & Chief Global Supply Chain Officer has oversight of our Health for Humanity 2025 Goals. The CPO is responsible for the development and success of J&J Procurement function and the achievement of our Health for Humanity 2025 goal to expand the Johnson & Johnson Supplier Sustainability Program which includes: monitoring, engaging and collaborating with suppliers on our joint environmental, social and ethical obligations. Bonuses are awarded as a result of meeting several criteria, including progress against J&J's Health for Humanity 2025 Goals. Rationale for the chosen indicator: Our CPO strongly believes that by collaborating with our partners to strengthen the social, environmental and economic performance of our supply chain, we are driving sustainability efforts beyond our four walls, building and strengthening the resilience of J&J.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	No non-monetary incentives are currently provided for the management of water-related issues.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations
 Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

We are a member of trade associations that advocate for our industry and market-based health solutions and we provide financial support to several policy development organizations and think tanks whose purpose is to develop policy position papers or model legislation, among other civic activities. We acknowledge that we may not align with or support every public position each of these broad-based groups takes. However, when we do disagree with a position, we have a range of approaches we can employ to respond and we believe that our dissenting voice has greater impact as a member of these organizations. We take input from our stakeholders and determine how best to express our views to an organization – from simply declining to participate in certain initiatives sponsored by the organization, to partnering with other members to amplify our viewpoint both within the organization and externally, to reaching out directly to the organization's leadership to examine a possible change in position.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	Water-related issues, like water stress, flooding and drought, are integrated as part of our overall sustainability approach that closely links business strategy, including water, to our long-term business objectives. Environmental health, including water risk, is a focus area of our sustainability approach because water supply and quality is vital to the importance of our operations and climate change is anticipated to impact the availability of water in the future. These issues are analyzed and prioritized in our water risk assessment and facility climate risk assessment. Risk mitigation plans incorporate both immediate concerns as well as long-term viability of water. For example, at prioritized locations, we internally aim to implement and certify the Alliance for Water Stewardship Standard to address sustainable water management, water dependencies and impacts, responsible water procedures and building relationships with local water-related stakeholders. Also, as an outcome of the facility climate risk assessment, we identified several opportunities to improve business resilience such as access to reliable energy and water supply in the event of a disruption that we will build into our long-range capital planning process. With a longer-term outlook (11-15 years) we can set 5-year internal interim goals such, e.g. implementation of the Standard at prioritized locations by 2025 to ensure we have measurable KPIs to keep us on track for our long-term business objectives.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	The strategy for achieving our long-term objective to mitigate water risk is our process of assessing water risk such as: water stress, flooding and drought and subsequent prioritization of locations. At these prioritized locations, we aim to implement and certify the AWS Standard to address sustainable water management, water dependencies and impacts, responsible water procedures and building relationships with local water-related stakeholders by 2025. Also, as an outcome of the facility climate risk assessment, we identified several opportunities to improve business resilience such as access to reliable energy and water supply in the event of a disruption that we will build into our long-range capital planning process. With a longer-term outlook (11-15 years), we can set five-year internal interim goals such as, for example, the implementation of the AWS Standard at prioritized locations to ensure we have measurable KPIs behind our long-term strategy that keep us on track. Our guiding strategy is to take a long-term approach to environmental and water stewardship. Caring for the environment and respecting the earth's finite resources have been enshrined in Our Credo (written in 1943) as a fundamental element of the Company's role in society, which calls for "protecting the environment and natural resources," among other principles.
Financial planning	Yes, water-related issues are integrated	11-15	Water-related actions are integrated into our financial planning process through either our water risk assessment program or indirectly through our CO2 Capital Relief Program. While this capital fund is mostly for projects with a carbon benefit, there are many instances where there is a similar water improvement, and many water projects are currently funded through this dedicated allocation of \$40 million available per year. We are working to further integrate water projects into this dedicated capital funding approach. With a longer-term outlook (11-15 years) we can set five-year interim internal goals such as the implementation and certification of the AWS Standard at prioritized locations to ensure we have measurable KPIs around which financial planning can occur.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

133

Anticipated forward trend for CAPEX (+/- % change)

-30

Water-related OPEX (+/- % change)

-13

Anticipated forward trend for OPEX (+/- % change)

-3.4

Please explain

CAPEX investment in 2021 has increased as a result of our Health for Humanity 2020 Goal to conduct a comprehensive water risk assessment at 100% of manufacturing and R&D sites and implement resource protection plans at high-risk sites. Many of these resource protection plans continued into 2021 because of delays caused by the COVID-19 pandemic in 2019-2020. Due to the finalization of the Health for Humanity 2020 Goal, it is anticipated that CAPEX investments will decrease as from 2022 forward. Water-related expenditures for CAPEX include 16 projects implemented in 2021 in many facilities throughout the world. OPEX anticipated forward trend is calculated by taking the compound annual growth rate (CAGR) from 2017 to 2021. Water-related OPEX expenditures include water withdrawal costs in 2021.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	During 2021, we conducted a scenario analysis of future risks and opportunities in the short-term and long-term using a Business-as-usual scenario (AR5 IPCC 8.5 / SSP3) and Low-carbon economy scenario (AR5 IPCC 2.6 / SSP1). In 2021, Johnson & Johnson undertook an asset- or site-based quantitative climate-related scenario analysis in which nearly 300 locations were included, representing the most significant greenhouse gas (GHG) emissions and asset values. These locations cover J&J's three business segments (Consumer Health, MedTech and Pharmaceuticals) and four global geographies (Asia Pacific, Latin America, North America, Europe, Middle East and Africa).

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related	In 2021 we conducted a scenario analysis of future risks and opportunities in the short-term and long-term using a Business-as-usual scenario (AR5 IPCC 8.5 / SSP3) and Low-carbon economy scenario (AR5 IPCC 2.6 / SSP1). In 2021, Johnson & Johnson undertook an asset- or site-based quantitative climate-related scenario analysis in which nearly 300 locations were included, representing the most significant greenhouse gas (GHG) emissions and asset values. These locations cover J&J's three business segments (Consumer Health, MedTech and Pharmaceuticals) and four global geographies (Asia Pacific, Latin America, North America, Europe, Middle East and Africa).	J&J undertook a qualitative climate-related scenario analysis in line with the TCFD recommendations in 2021. Related to the TCFD-aligned climate-related scenario analysis, J&J identified physical risks such as long-term shifts in weather patterns leading to flooding and drought, which could impact higher prices for raw materials. Five sites were identified as having the most significant potential water-related risks – two in Japan, two in the U.S. (including one in Puerto Rico) and one in Italy. The major risk for each of these five sites was property damage from flooding. Based on the analysis, opportunities were highlighted to update and strengthen the sites' Business Continuity Plans. The analysis included a list of prioritized, specific recommendations submitted to site leadership, with detailed estimates of needed capital investment to factor into their 2022 and 2023 budget plans.	

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

We continue to focus on addressing water risk thru our effort to implement and certify the Alliance for Water Stewardship Standard to addresses sustainable water management, water dependencies and impacts, responsible water procedures and building relationships with local water-related stakeholders, as well as through taking measures to amend Business Continuity Plans. While our current process is using existing funding mechanisms, we may consider incorporating other mechanisms such as an internal price on water in the future.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	We aim to integrate product sustainability considerations, including water use, with our standard product design and development processes to identify and incorporate potential environmental improvements. Additionally, we consider customer feedback regarding environmental priorities during the product development process.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level Specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Our approach to water-related targets and goals is to improve water efficiency across our operations by reducing water demand and increasing water reuse, and to prioritize water management actions using a risk-based approach, that accounts for location-specific water risks at our sites worldwide. J&J assesses water stress at all our manufacturing and R&D sites and prioritizes sustainable water management at locations with high water stress. For prioritized facilities based on water stress, water depletion and the amount of water withdrawal, we have set an internal goal to operate in line with the requirements of the Alliance for Water Stewardship (AWS) Standard and to achieve certification by 2025. Enterprise-level internal goals are also tracked at the business level, where each business segment tracks the status of relevant sites and progress towards any targets. Targets are also cascaded to the site-level in two ways. If a site is identified as a priority for AWS Standard certification, a site-specific target will be implemented to achieve this certification. Additionally, we certify all manufacturing and R&D sites to ISO 14001 Environmental Management System Standard within three years of establishment or acquisition. Under this certification, sites must define and evaluate environment aspects and impacts. In cases where water is identified as a significant environmental aspect, continuous improvement plans may be implemented with site-specific targets.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Other, please specify (Certification to the Alliance for Water Stewardship Standard)

Level

Company-wide

Primary motivation

Water stewardship

Description of target

Our approach to water-related targets is to improve water efficiency across our operations by reducing water demand and increasing water reuse and to prioritize water management actions using a risk-based approach that accounts for location-specific water risks at our sites worldwide. Johnson & Johnson assesses water stress at all our manufacturing and R&D sites and prioritizes sustainable water management at locations with high water stress. For prioritized facilities based on water stress, water depletion and the amount of water withdrawal, we have set an internal goal to operate in line with the requirements of the Alliance for Water Stewardship (AWS) Standard to address sustainable water management, water dependencies and impacts, responsible water procedures and building relationships with local water-related stakeholders and to achieve AWS Standard certification by 2025.

Quantitative metric

Other, please specify (% of prioritized facilities certified to Alliance for Water Stewardship Standard)

Baseline year

2020

Start year

2021

Target year

2025

% of target achieved

0

Please explain

By the end of 2021, a gap assessment was completed for the prioritized facilities that were identified to certify against the AWS Standard. Actions plans were developed to progress towards certification against our internal goal by 2025. As from 2022, these action plans are being implemented to achieve AWS Standard certification.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Other, please specify (Prioritize water actions with risk lens)

Level

Company-wide

Motivation

Risk mitigation

Description of goal

Importance to J&J: We use natural resources to make our products that millions of people rely on every day. Our approach to water-related goals is to improve water efficiency across our operations by reducing water demand and increasing water reuse and to prioritize water management actions using a risk-based approach that accounts for location-specific water risks at our sites worldwide. J&J assesses water stress at all our manufacturing and R&D sites and prioritizes sustainable water management at locations with high water stress, water depletion and the amount of water withdrawal. For prioritized facilities, we have set an internal goal to operate all prioritized facilities in line with the requirements of the Alliance for Water Stewardship (AWS) Standard to addresses sustainable water management, water dependencies and impacts, responsible water procedures and building relationships with local water-related stakeholders and to achieve AWS Standard certification by 2025. This goal was chosen at a corporate level to ensure that local water risk realities would be prioritized appropriately throughout our organization even if local water cost do not meet traditional capital investment requirements, in alignment with the vital importance of water quality and quantity to our operations. J&J is implementing the goal by conducting local assessments, implementing local action plans and tracking centrally company-wide to ensure that activities are appropriately prioritized.

Baseline year

2020

Start year

2021

End year

2025

Progress

By the end of 2021, a gap assessment was completed for the prioritized facilities that were identified to certify against the AWS Standard. Actions plans were developed to progress towards our internal goal of certification by 2025. As from 2022, these action plans are being implemented to achieve AWS certification. Indicators used to assess progress are the number of prioritized facilities that are certified against the AWS Standard. Successful completion of this internal goal will be to have 100% of prioritized facilities certified against the AWS Standard.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Total water withdrawn in million m3 Total water consumed in million m3 Total water recycled and reused in million m3 Total water discharged in million m3 Percentage of water withdrawn in regions of high or extremely high baseline water stress Percentage of water consumed in regions of high or extremely high baseline water stress	ISAE 3000	An independent third-party consultant verified 2021 water withdrawal, consumption, discharge, and stress data points under limited assurance.

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Executive Vice President and Chief Global Supply Chain Officer, member of the company's Executive Committee	Board/Executive board

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	93775000000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

This is confidential

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms