



## Report of Independent Accountants

To the Board of Directors of Johnson & Johnson

We have reviewed the accompanying Johnson & Johnson management assertion, that the sustainability metrics as of or for the year ended December 31, 2020 in management's assertion are presented in conformity with the assessment criteria set forth in management's assertion.

Johnson & Johnson's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the sustainability metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA") in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order to be fairly stated. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the AICPA.

We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

The preparation of the sustainability metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

Based on our review, we are not aware of any material modifications that should be made to Johnson & Johnson's management assertion in order for it to be fairly stated.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers LLP", written in a cursive style.

June 8, 2021

*PricewaterhouseCoopers LLP, 400 Campus Drive, Florham Park, NJ 07932*  
*www.pwc.com*

# Johnson & Johnson Management Assertion

## As of December 31, 2020 or for the year then ended

Management of Johnson & Johnson is responsible for the completeness, accuracy, and validity of the sustainability metrics included in the tables below as of December 31, 2020 or for the year then ended (the reporting year) for global operations, unless otherwise noted. The metrics have been rounded to the nearest whole number unless otherwise indicated.

Management asserts that the metrics reported in the tables below, which are also included in the Health for Humanity Report as identified by the “+” symbol, are presented in conformity with the assessment criteria set forth below. Management is responsible for the selection or development of the criteria, which management believes provide an objective basis for measuring and reporting on the selected metrics. The preparation of the metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

### Our Giving<sup>(a)</sup>

Metric Description	Metric Value
Total products <sup>(b)</sup> and cash contributed globally (millions)	\$2,567
Products <sup>(b)</sup> contributed globally (millions)	\$2,043
Cash contributed globally (millions)	\$524

<sup>(a)</sup> Contributions are products or cash donations made to qualified nonprofit entities (i.e., 501(c)(3) organizations in the US or with an NGOsource 501(c)(3) equivalency determination for organizations outside the US) by Johnson & Johnson during the reporting year, or are pledged and accrued during the reporting year, with confirmation of payment in 2021. Administrative costs incurred by Johnson & Johnson during the contribution process are also included in cash contributions (3% of the total amount).

<sup>(b)</sup> Products contributed are measured at fair market value, which is the price of the product, as determined by an internal price list in USD as of December 31, 2020, that Johnson & Johnson would sell to consumers on the market.

## Diversity, Equity & Inclusion (DE&I)

Metric Description	Metric Value
Employees <sup>(a)</sup>	136,400
Gender Diversity of Global Employees <sup>(a) (b)</sup>	Women 48.1%
Global Workforce <sup>(a)</sup> by Region <sup>(d)</sup>	Asia Pacific 27,939 Europe, Middle East & Africa (EMEA) 41,201 Latin America 20,320 North America 46,900
Gender Diversity <sup>(b)</sup> by Employment Type <sup>(c) (i)</sup>	Full-time employees Women 47.1% Part-time employees Women 82.9%
Gender Diversity <sup>(b)</sup> by Region <sup>(d) (i)</sup>	Asia Pacific: Women 46.2% EMEA: Women 49.8% Latin America: Women 51.1% North America: Women 46.3%
Gender Diversity <sup>(b)</sup> by Job Category <sup>(d) (i)</sup>	Vice Presidents: Women 35.3% Managers and Directors: Women 46.8% Professionals: Women 49.8%
Age Diversity <sup>(e)</sup> by Job Category <sup>(d) (i)</sup>	Vice Presidents Under 30 0% 30-50 44.2% 50+ 55.8% Managers and Directors Under 30 1.3% 30-50 72.4% 50+ 26.4% Professionals Under 30 20.7% 30-50 61.7% 50+ 17.5%

<sup>(a)</sup> Global Workforce is the global employee headcount as of December 31, 2020, excluding fixed term employees, interns, co-op employees, employees on long-term disability and employees from more recently acquired companies who are not yet reflected in the Johnson & Johnson Human Resources Information Systems (HRIS) (which does not exceed 2 years from the date of acquisition). Contingent workers, contractors and subcontractors are also excluded. This data is based on headcount from the HRIS. Global Workforce is rounded to the nearest hundred.

<sup>(b)</sup> Gender and ethnic/racial diversity are reported in accordance with the gender, ethnicity and race as self-reported by the employee and recorded in HRIS as of December 31, 2020. Other is defined as employees who self-reported as American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander or two or more races.

<sup>(c)</sup> An individual working full-time is defined as an employee working 40 hours or more a week. An individual working part-time is defined as an employee working less than 40 hours a week.

<sup>(d)</sup> The region and job category is obtained from HRIS as of December 31, 2020.

<sup>(e)</sup> Age diversity is reported in accordance with the age group as self-reported by the employee and recorded in HRIS as of December 31, 2020, and due to rounding may not equal 100.0%.

<sup>(i)</sup> As of October 2020, new categories were added to allow employees to actively decline self-identification or remain unidentified. Where the value for "Declined to answer" rounded to zero, we excluded from the reported table.

## Diversity, Equity & Inclusion (DE&I) continued

Metric Description	Metric Value
Ethnic/Racial Diversity <sup>(b)</sup> in the U.S. by Job Category <sup>(d)</sup> <sup>(i)</sup>	Managers and Directors Asian 17.2% Black/African American 5.4% Hispanic/Latino: 7.3% Other 1.3% Declined to answer 1.1% Professionals Asian 12.9% Black/African American 7.5% Hispanic/Latino 10.2% Other 2.2% Declined to answer 0.9%
Diversity in Board Composition <sup>(j)</sup>	Women 35.7% Ethnic/Racial Diversity 21.4%
Gender Diversity <sup>(b)</sup> in Management <sup>(k)</sup> and Executive Positions <sup>(h)</sup>	Women in management positions 46.4% Women in executive positions 14.3%
Total Number of New Hires <sup>(i)</sup>	13,594
New Hires <sup>(i)</sup> by Gender <sup>(b)</sup> <sup>(i)</sup>	Women 52.5% Men 47.5% Declined to answer 0%
New Hires <sup>(i)</sup> by Age <sup>(e)</sup>	Under 30 46.5% 30-50 48.5% 50+ 4.9%
New Hires <sup>(i)</sup> by Region <sup>(d)</sup> <sup>(e)</sup>	Asia Pacific 28.4% Europe, Middle East & Africa 22.7% Latin America 22.4% North America 26.4%

<sup>(b)</sup> Gender and ethnic/racial diversity are reported in accordance with the gender, ethnicity and race as self-reported by the employee and recorded in HRIS as of December 31, 2020. Other is defined as employees who self-reported as American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander or two or more races.

<sup>(d)</sup> The region and job category is obtained from HRIS as of December 31, 2020.

<sup>(e)</sup> Age diversity is reported in accordance with the age group as self-reported by the employee and recorded in HRIS as of December 31, 2020, and due to rounding may not equal 100.0%.

<sup>(j)</sup> Gender and ethnic/racial diversity in the Board composition is reported in accordance with the gender and ethnicity as confirmed by board members as of December 31, 2020.

<sup>(k)</sup> Management position is considered paygrade 30 and above. The paygrades are obtained from HRIS as of December 31, 2020.

<sup>(h)</sup> Executives are defined as employees reporting directly to the Chairman and Chief Executive Officer based on an organization chart including names and positions as of December 31, 2020.

<sup>(i)</sup> New employee hires are external hires with a start date between January 1, 2020 and December 31, 2020 obtained from HRIS.

<sup>(i)</sup> As of October 2020, new categories were added to allow employees to actively decline self-identification or remain unidentified. Where the value for “Declined to answer” rounded to zero, we excluded from the reported table.

## Environmental Health & Safety (EH&S) Governance

Metric Description	Metric Value
Number of environmental non-compliances <sup>(a) (b)</sup>	50
Fines paid for environmental non-compliances <sup>(b) (c)</sup> (thousands)	\$5.9
Number of manufacturing and R&D sites certified to ISO 14001 <sup>(d) (e)</sup>	95
Percentage of manufacturing and R&D sites certified to ISO 14001 <sup>(d) (e)</sup>	96%
Percentage of manufacturing and R&D sites certified to OHSAS 18001 (Occupational Health and Safety Assessment Series) or ISO 45001 <sup>(d) (e)</sup>	21%

<sup>(a)</sup> Environmental non-compliances represent instances of non-compliance with environmental regulatory requirements or laws that were either (i) self-reported to authorities in the reporting year or (ii) identified by authorities and the non-compliance occurred in the reporting year. The authorities include regional, national, state/country/province, and local/city regulatory agencies

<sup>(b)</sup> Environmental non-compliances and fines paid exclude newly acquired sites (i.e., owned less than 2 years as of December 31, 2020).

<sup>(c)</sup> Fines paid for environmental non-compliances include those paid in the reporting year. It does not include fines assessed and/or under negotiation that were not paid as of December 31, 2020.

<sup>(d)</sup> Certified to ISO 14001, OHSAS 18001 or ISO 45001 means the site has received an external certification that is valid as of December 31, 2020.

<sup>(e)</sup> The denominator of total manufacturing and research & development (R&D) sites excludes small R&D and manufacturing sites (defined as having less than 50 employees) and newly acquired sites (i.e., owned less than 3 years as of December 31, 2020).

## Employee Turnover

Metric Description	Metric Value
Percentage of Managers and above moved across functions, country or business segment lines, building diversity of experiences <sup>(a) (b) (c)</sup>	44.6%
Overall voluntary turnover <sup>(d)</sup>	5%
Voluntary turnover <sup>(d)</sup> of high performers <sup>(e)</sup>	3%

<sup>(a)</sup> Represents the percentage of employees in Manager and above job categories (defined as paygrade 30 or above in HRIS as of December 31, 2020) who in their career progression moved through upward promotion or lateral transfer during the reporting year.

<sup>(b)</sup> Excludes fixed term, intern, and co-op employees, employees on long-term disability, employees from more recently acquired companies who are not yet reflected in HRIS, and employees under research & development leaders in the Pharmaceutical, Medical Devices and Consumer Health segments.

<sup>(c)</sup> Employee movement is tracked monthly in HRIS and then consolidated at year end. If an employee moves, for example, across both function and country in the same month, it is only counted as one move.

<sup>(d)</sup> Employee count excludes fixed term, intern, and co-op employees, employees on long-term disability, and employees from more recently acquired companies who are not yet reflected in HRIS. Voluntary turnover (the numerator) excludes employees leaving the company due to retirement or death.

<sup>(e)</sup> High performer is defined as an individual with two consecutive annual performance ratings of Exceeds/Exceeds, Exceeds/Fully Meets, or Fully Meets/Exceeds (note that “exceeds” is one out of four possible dimension ratings). Employees who are not part of the performance management process are excluded from the voluntary turnover of high performers metric.

## Employee Safety<sup>(a)</sup>

Metric Description	Metric Value
Lost Workday Case (LWDC) rate <sup>(b) (c) (d)</sup>	Global 0.05 Asia Pacific 0.02 Europe, Middle East & Africa 0.04 Latin America 0.08 North America 0.07
Total Recordable Injury rate (TRIR) <sup>(b) (e)</sup>	Global 0.24 Asia Pacific 0.08 Europe, Middle East & Africa 0.21 Latin America 0.18 North America 0.35
Serious Injury and Illness Case (SIIC) rate <sup>(b) (f)</sup>	Global 0.02 Asia Pacific 0.02 Europe, Middle East & Africa 0.01 Latin America 0.01 North America 0.04
Number of fatalities	Global 0

<sup>(a)</sup> Includes data as of December 31, 2020 and hours worked in the reporting year. More recently acquired sites (i.e., owned less than 2 years as of December 31, 2020) are excluded from employee safety metrics.

<sup>(b)</sup> LWDC rate, TRIR, SIIC rate, and fatalities are calculated for Johnson & Johnson employees and contingent workers. Contingent workers (i.e., workers supplied by third party agencies that are the worker's employer of record) are intended to supplement or temporarily replace existing workforce and are directly supervised by a Johnson & Johnson employee. Cases from contractor/ subcontractors (who are not contingent workers) are excluded.

<sup>(c)</sup> "Lost days" are calendar days where an employee is unable to work due to illness or injury, beginning the day after an incident has taken place through the last day of leave (excluding holidays and vacations).

<sup>(d)</sup> LWDC rate is calculated as follows and the data used in the calculation is obtained from the internal Johnson & Johnson CURVE system: (number of LWDC \* 200,000 work hours) / total work hours.

<sup>(e)</sup> TRIR is calculated as follows and the data used in the calculation is obtained from the internal Johnson & Johnson CURVE system: (number of recordable cases \* 200,000 work hours) / total work hours.

<sup>(f)</sup> SIIC rate is calculated as follows and the data used in the calculation is obtained from the internal Johnson & Johnson CURVE system: (number of SIIC \* 200,000 work hours) / total work hours.

## Ethics and Compliance (Our Credo Integrity Line Complaints & Inquires)

Metric Description	Metric Value
Percentage of inquiries and complaints as filed with Our Credo Integrity Line by Category <sup>(a) (b)</sup>	Human Resources-related 51% Financial-related 14% Business integrity-related 12% Other 11% General information questions 10% Product quality and patient safety-related 2%

<sup>(a)</sup> There are 47 inquiry and complaint categories for the complainant to select from when reporting inquiries and complaints through Johnson & Johnson’s anonymous reporting mechanism which are then summarized into six reported categories by Johnson & Johnson. Other consists of the following categories: privacy, information security, general security, EH&S, legal/regulatory and follow up.

<sup>(b)</sup> Johnson & Johnson introduced a 48th human rights category in December 2020 but has excluded those inquiries and complaints in calculating the 2020 percentages presented. This category will be included in the 2021 Health for Humanity Report.

## Ethics and Compliance (Triage Committee Investigations)

Metric Description	Metric Value
Number of compliance-related allegations investigated through Triage Committee <sup>(a)</sup>	559
Percentage of compliance-related allegations investigated through Triage Committee, by category <sup>(a)</sup>	Healthcare compliance <sup>(b)</sup> 41% Financial <sup>(c)</sup> 51% Other <sup>(d)</sup> 8%

<sup>(a)</sup> Compliance-related allegations can be filed by internal or external parties, and for those allegations that meet the internal escalation criteria, they are logged and categorized by Johnson & Johnson management within the iSight Case Management System and then presented to and investigated through the Johnson & Johnson Triage Committee. Internal escalation criteria includes actual or alleged: expense violations exceeding \$1,000; theft, fraud or misuse of funds exceeding \$1,000; non-compliance with laws and regulations, such as anti-corruption laws or human trafficking rules; governmental non-compliance, such as failure to abide by relevant terms of a US government invoice, contract or pricing program, financial conflicts of interest, false or incomplete statements made to the US government; non-compliance with internal Johnson & Johnson policies that could result in termination of the employee; data breach or privacy incidents; and misconduct by members of the senior leadership team.

<sup>(b)</sup> Healthcare compliance-related allegations consist of violations of Healthcare Compliance guidelines including Foreign Corrupt Practices Act (FCPA) violations.

<sup>(c)</sup> Financial compliance-related allegations consist of asset misappropriation, conflicts of interest, and financial statements.

<sup>(d)</sup> Other compliance-related allegations consist of legal, quality, anti-trust, product registration, and privacy.

## Product Quality

Metric Description	Metric Value
Number of regulatory inspections <sup>(a)</sup> of Johnson & Johnson sites by worldwide health authorities <sup>(b)</sup>	452
Percentage of regulatory inspections <sup>(a)</sup> that resulted in zero observations <sup>(b)</sup>	82%
Number of FDA inspections of Johnson & Johnson sites <sup>(c)</sup>	10
Percentage of FDA inspections that resulted in zero observations <sup>(c)</sup>	80%
Average number of observations per FDA inspection <sup>(c)</sup>	1.7
Number of independent audits of Johnson & Johnson sites to ensure compliance with Johnson & Johnson Quality Policy and Standards <sup>(d)</sup>	165
Number of independent audits of external manufacturing sites <sup>(e)</sup> to ensure compliance with Johnson & Johnson Quality Policy and Standards <sup>(d)</sup>	230
Number of FDA warning letters issued	0
Product recall rate <sup>(f)</sup> , by business segment	Pharmaceutical: 0% Medical Devices: 0.034% Consumer Health <sup>(g)</sup> : 0%

<sup>(a)</sup> A regulatory inspection is defined as an inspection conducted by the health authority to determine compliance with applicable laws and regulations.

<sup>(b)</sup> Health authorities are organizations with authority over the development, manufacture, distribution, placing on the market, and post market surveillance of products. For example, the US Food and Drug Administration (FDA), Korean Food and Drug Administration (KFDA), British Standards Institution (BSI), and Health Canada. The observations identified during the inspection are listed on a form provided by the third-party health authority who conducted the inspection.

<sup>(c)</sup> An FDA inspection is defined as a regulatory inspection performed by the FDA and an observation is defined as the observed condition or practice indicating that an FDA-regulated product may be in violation of FDA requirements. The observations are listed on FDA Form 483 during inspections conducted by the FDA and then provided to the manufacturer following the FDA inspection.

<sup>(d)</sup> Independent audits are conducted by internal Johnson & Johnson Regulatory Compliance auditors at Johnson & Johnson sites and external manufacturing sites.

<sup>(e)</sup> An external manufacturing site is defined as not owned or operated by Johnson & Johnson.

<sup>(f)</sup> Product recall rate is defined as the number of lots removed from the market as a percentage of total lots globally manufactured, based on field action removals where it has been determined internally by a Quality Review Board and aligned by Johnson & Johnson Enterprise Compliance, that there is a reasonable probability that the product may cause temporary or medically reversible adverse health consequences and in certain cases will cause serious adverse health consequences. A lot is defined as a specific quantity of material that has uniform character and quality and was released to market during the 2020 calendar year.

<sup>(g)</sup> The Consumer Health product recall rate reflects over-the-counter (OTC) products.