



Responsibility Standards for Suppliers

2017

Johnson & Johnson

GLOBAL
PROCUREMENT



Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

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Guiding Principles

The Companies that comprise the Johnson & Johnson Family of Companies (Johnson & Johnson Companies) hold themselves to high standards that, along with our management philosophy, are embodied in Our Credo. These Standards reflect our internal values and the expectations of external stakeholders, such as customers, regulators, investors and the public. We find business relationships are more productive and effective when they are built on trust, mutual respect and common values, and seek relationships with suppliers who share a common commitment to:

- 1 | Comply with applicable laws and regulations;
- 2 | Behave ethically and with integrity;
- 3 | Integrate quality into business processes;
- 4 | Respect human and employment rights;
- 5 | Promote the safety, health and well-being of employees;
- 6 | Embrace sustainability and operate in an environmentally responsible manner;
- 7 | Implement management systems to maintain business continuity, performance governance and continuous improvement; and
- 8 | Disclose information associated with the supplier's impact on the environment and social issues



We believe that when these guiding principles are followed, both businesses and communities realize economic, social and environmental benefits. We developed the following set of Standards to assist us with selecting suppliers who operate in a manner consistent with these guiding principles and to support our suppliers in understanding and upholding our expectations. We strive to include elements of these Standards in purchasing contracts, and may take steps to assess a supplier's conformance to them. When appropriate, Johnson & Johnson Companies may work with suppliers to identify agreed upon actions and timelines to achieve improvement. Johnson & Johnson Companies consider progress in meeting these expectations and ongoing performance in their sourcing decisions.



Legal Compliance

Suppliers to Johnson & Johnson Companies are expected to operate in compliance with all applicable laws and regulations of the countries, states and localities in which they operate. This includes laws and regulations related to ethical business practices, quality, labor and employment practices, as well as health, safety and environmental protection. Suppliers are also expected to conform their practices to generally accepted industry standards, obtain and maintain all applicable permits, licenses and registrations, and operate in accordance with permit limitations and requirements at all times.



Ethics and Business Conduct

Suppliers to Johnson & Johnson Companies are expected to behave ethically and with integrity in all business transactions. As such, they shall:

- Uphold standards for fair business practices including accurate and truthful advertising, and fair competition;
- Prohibit the payment of bribes, illegal political contributions, or other illicit payments or consideration for any reason, including the waiver of penalties or fines or the receipt of any other special benefits or gifts;
- Prohibit financial or professional conflicts of interest;
- Ensure that workers report concerns or illegal activities in the workplace without threat of reprisal, intimidation or harassment;
- Safeguard against improper use of intellectual property, including disclosure of confidential or sensitive information, including pricing, employee and patient information;
- Maintain an environment of transparency, collaboration and innovation; and
- Treat any animals used in its activities in an ethical and humane manner and follow the principles of replacement, refinement and reduction of laboratory research animal testing.



Quality

Suppliers to Johnson & Johnson Companies are expected to provide goods and services that consistently meet customers' needs, are safe for their intended use and perform as intended. While suppliers must meet the specifications agreed upon in the applicable agreement, purchase order or other contractual relationship, suppliers must also meet certain minimum quality requirements including compliance with regulations where their products may be sold. As such, they shall:

- Establish and maintain Quality controls to protect the integrity of the goods and services provided;
- Notify the relevant Johnson & Johnson Company of proposed changes to specifications, methods, suppliers, materials/components, manufacturing/supply process, manufacturing location or equipment in order to determine impact on the Johnson & Johnson Company's Product;
- Permit the relevant Johnson & Johnson Company or an authorized delegate to conduct Quality audits of the facilities, systems and/or documents related to the goods and services provided, and promptly provide responses and take corrective actions to remedy any observations cited;
- Notify the relevant Johnson & Johnson Company of significant Health Authority inspections and regulatory issues, such as: warning letters, FDA form 483 observations, letters of non-compliance, seizures and injunctions, including any observations related to the products of any Johnson & Johnson Company; and
- Ensure that all pallets used to supply goods to any Johnson & Johnson Company comply with the Johnson & Johnson Pallet Policy.



Health, Safety and Well-being of Employees

Suppliers to Johnson & Johnson Companies are expected to maintain the workplace and any living quarters used to house employees in a clean, orderly and safe manner. As such, they shall:

- Provide necessary facilities (e.g., two means of egress to safely exit areas/buildings) and equipment (e.g., fire alarms and detection systems) to assure the health, safety and well-being of employees and visitors;
- Implement programs to protect workers and prevent or control employee exposures to workplace hazards including chemical, biological and physical hazards;
- Implement programs to manage processes safely and prevent catastrophic events;
- Implement programs that promote access to health programs that positively impact the health of employees;
- Identify potential emergency situations, implement preventive measures, and be prepared to execute emergency response procedures;
- Provide safety and health information related to hazardous materials and necessary occupational health and safety training; and
- Ensure that health and safety program requirements are consistent for contractors and subcontractors working at supplier's facilities.



Sustainability and Environmental Responsibility

Suppliers to Johnson & Johnson Companies are expected to operate in a sustainable and environmentally responsible manner. As such, they shall:

- Work to reduce the environmental impacts of their operations including natural resource consumption, materials sourcing, waste generation, wastewater discharges and air emissions;
- Implement programs to manage wastewater and air emissions ensuring compliance and protection of human health and the environment;
- Prevent accidental spills and releases of hazardous materials into the environment and adverse environmental impacts on the local community;
- Implement programs to manage solid waste(s) compliantly and responsibly in regard to the environment, employee safety and public health, from generation through collection, storage, transportation and ultimate disposal;
- Implement programs to ensure products do not contain restricted or banned materials; and
- Implement programs to verify that plant/forest materials and derivatives purchased are legally harvested and exported/imported.



Human Rights, Labor and Employment

Suppliers to Johnson & Johnson Companies are expected to treat people with dignity and respect. As such, they shall:

- Not engage in any form of human trafficking (for example, by using force, fraud or coercion to subject a person to involuntary servitude, peonage, debt bondage or slavery), procure commercial sex acts or use forced labor (for example, by knowingly providing labor from a person by threats of serious harm to that person or another person);
- Comply with the Johnson & Johnson Human Trafficking Policy;
- Not destroy, conceal, confiscate, or otherwise deny employees, contractors or subcontractors access to such person's identity or immigration documents, use misleading or fraudulent recruiting practices, use recruiters that do not comply with local labor laws in the country where the recruiting takes place, charge recruiting fees, expect workers to pay for a job, provide housing that does not meet the standards of the country where work is performed, or fail to provide an employment contract or recruitment agreement if required by law;
- Provide return transport for the person if supplier has transported or paid (directly or indirectly) to transport an employee, contractor or subcontractor from another country to the country where such employee will perform work;
- Ensure that employees have freedom of movement and are free to leave their employment after reasonable notice;



- Not discriminate against or harass an individual on the basis of race, color, religion, gender, pregnancy, HIV status, health status, sexual orientation, national origin, age, disability, veteran's status, marital status or political affiliation;
- Not treat or threaten to treat an individual harshly or inhumanely. Harsh or inhumane treatment includes sexual harassment or abuse, corporal punishment and/or coercion;
- Respect workers' rights to rest and leisure and avoid unsafe working conditions by providing sufficient rest periods during the workday, honor agreed upon days off from work and maximum working hours;
- Pay fair wages that meet or exceed legal minimum for all hours worked and clearly communicate the wages that employees are to be paid in advance of commencing work. Communicate to all employees if overtime is required and the wages to be paid for such overtime;
- Comply with the Johnson & Johnson Employment of Young Persons Policy;
- Respect workers' rights to make informed decisions free of coercion, threat of reprisal or unlawful interference regarding their desire to associate freely, join or not join organizations or to peaceful assembly;
- Respect workers' rights to bargain collectively without unlawful interference;
- Respect workers' rights to raise concerns in the workplace through a grievance mechanism; and
- Comply with requirements included in Johnson & Johnson's Statement on Conflict Minerals.



Management Systems

Suppliers to Johnson & Johnson Companies are expected to manage their activities systematically in order to maintain business continuity, meet the standards set forth in this document and to improve their operations continually. As such, they shall:

- Demonstrate senior management commitment and accountability through policies, objectives and formal processes;
- Implement processes to develop, maintain and control documents and records, as well as any appropriate compliance-related requirements;
- Implement and maintain processes and standards for data integrity and security to ensure that it is protected, complete and accurate;
- Provide resources, including competent personnel and appropriate infrastructure, to manage risks and ensure conformance to these Standards;
- Implement processes to control the production of products and/or materials for any Johnson & Johnson Company, manage change effectively and ensure customer requirements are satisfied;



- Implement processes to manage nonconformity, incident response and emergency situations related to products, business operations/continuity and these Standards, including the reporting of such events to applicable regulatory authorities and Johnson & Johnson Companies as appropriate;
- Identify and implement improvement goals, performance objectives and actions, including effective complaint investigation, internal audit and corrective action processes;
- Develop, implement and maintain training programs that achieve appropriate levels of knowledge, skills and abilities in management and workers to address these expectations;
- Assist in maintaining a safe and secure supply chain, by supplying authentic products manufactured through appropriate authorization and according to the requirements issued by any Johnson & Johnson Company; and
- Implement processes to extend applicable elements of these Standards to their own partners and suppliers.



Health Care Compliance & Privacy (HCC&P)

Suppliers to Johnson & Johnson Companies and any third party conducting business on our behalf are expected to uphold our strong stance against bribery and corruption, consistent with the anti-corruption laws that exist in many countries around the world. As such, in connection with any Johnson & Johnson relationship, they shall:

- Follow local and internationally applicable laws and ethical standards and strictly prohibit bribes, kickbacks, illegal payments and any other offer of items of value that may inappropriately influence or reward a customer to order, purchase or use our products and services, whether provided directly or through a third party, such as a distributor, customs broker or other agent;
- Avoid any other action that could inappropriately influence the medical decisions of health care professionals and the purchasing decisions of entities that buy our products and services, including health care professionals, government regulators and inspection authorities;
- Respect the privacy of employees and others whose personal information they have access to, by complying with local and applicable international laws when collecting and storing personal information about employees, business partners, patients, health care professionals, consumers and others, such as birth dates, addresses and financial, medical and other information; and
- Collect personal information only for legitimate business purposes, share only with those who are allowed access, protect in accordance with security policies, retain only for as long as necessary, and contractually obligate third parties with access to personal information to protect it.



Transparency and Disclosure

Suppliers to Johnson & Johnson Companies are expected to make reasonable efforts to publicly disclose topics and goals that are important to the organization's impact on the environment and social issues (e.g., on a website or publicly available report).



Monitoring and Compliance

Johnson & Johnson Companies may engage in monitoring activities to confirm a supplier's compliance to these Standards, including on-site assessments of facilities, use of questionnaires, review of available information or other measures necessary to review supplier's performance.

Johnson & Johnson Companies may disqualify any potential supplier or terminate any relationship with a current supplier that has failed to conform to these Standards.

For more information, please visit us at:
www.jnj.com/partners and healthforhumanityreport.jnj.com

This is the current version of the Johnson & Johnson Responsibility Standards for Suppliers, and it supersedes all previous versions.

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