Caring, one person at a time.
Nothing is more important than the health and well-being of those we love. That’s why the Johnson & Johnson Family of Companies for more than 125 years has committed itself to caring for people. This commitment—a legacy of our founders and a very real motivating force among our employees—is embodied in Our Credo, which speaks to “our first responsibility” to the doctors, nurses, patients, the mothers and fathers and all who use our products.

The success of our enterprise is built on Our Credo and a unique set of strategic principles. We are broadly based in health care. Our focus is on managing for the long term. We operate under a decentralized management approach. And we do all this through a unique culture that values and fosters the development of our people.

In today’s highly competitive global marketplace, it is also essential that we focus on the critical drivers of our future growth: to create value through innovation, to extend our global reach, with local focus, to execute with excellence in everything we do and to inspire leadership with purpose among the people who carry on the Johnson & Johnson legacy. By caring, one person at a time, we aspire to help billions of people live longer, healthier, happier lives. There is no company better positioned to achieve this aspiration than Johnson & Johnson.
Our Credo

Our Credo was written in 1943 by Robert Wood Johnson, then-Chairman of Johnson & Johnson and son of one of the company’s founders. It eloquently defines the common values of our employees in 60 countries and more than 250 operating companies as we seek to improve the health and well-being of people around the world. Our Credo is unique in defining our values and corporate character in terms of our responsibilities.

Patients/Customers
Our Credo speaks of our patients and customers...of “our first responsibility” to the doctors, nurses and patients, the mothers and fathers and all who use our products and services. We stay true to Our Credo by providing patients and consumers with high-quality health care products, services and solutions driven by their needs and insights...by investing substantial resources in research that yields new innovations to address unmet medical needs...and by expanding our reach around the world to bring these life-enhancing products, services and solutions to more people in need.

Employees
Our Credo speaks of our employees...of their individual merit and dignity. We stay true to Our Credo by providing programs to help our associates and their loved ones live healthier and safer lives—both mentally and physically. We are in the business of health, and a focus on good health starts with our employees. We provide training and development programs so that employees have an opportunity to reach their full potential, safety and occupational health programs to prevent injuries and minimize workplace hazards, ergonomic initiatives to improve comfort and productivity. We seek to create a diverse, inclusive environment that brings multiple perspectives to bear on how best to serve patients and consumers. In today’s busy world, we also want our employees to be successful in balancing their personal and professional lives by exploring new technologies, tools and approaches to work.

Communities
Our Credo speaks of the communities where we live and work...of the need to be responsible citizens and good environmental stewards. We stay true to Our Credo by working to strengthen communities. We collaborate for beneficial outcomes to society beyond those created by our products—by offering our health and medical expertise, our training and health literacy programs, developing medicines for neglected diseases, providing access to resource-limited communities and collaborating with third parties to increase the efficiency and effectiveness of health outcomes. Health is our business, and we do our utmost to ensure that the impacts of our business activities are in the best interests of society. We contribute in more traditional ways too. Over the past 10 years, we have provided over $4.3 billion in grants, product donations and patient assistance. Our five year Millennium Development Goal aims to help 120 million women each year in 50 countries, and more than 650 other philanthropic programs build the skills of people who serve community health needs as well as prevent diseases and reduce the stigma and disability in underserved communities. We have built powerful programs to reduce the environmental impact of our operations and products, working with nongovernmental organizations to protect valuable ecological resources around the world.

Shareholders
Our Credo states that shareholders are our final responsibility. We stay true to this aspect of Our Credo by running our business in a financially sound and responsible fashion, so that our shareholders should realize a fair return on their investment. Shareholder returns have outperformed many competitive benchmarks in 3 and 10-year periods, and we have had 50 consecutive years of dividend increases and 28 consecutive years of adjusted earnings increases. We’re one of the few companies with a triple-A credit rating. We think of our business in terms of a multi-generational cycle: we plan for the long term, making significant investments on behalf of the health and well-being of patients and consumers; which, in turn, should enable us to generate financial return for our shareholders; which, in turn, will enable us to continue to invest for patients and consumers for generations to come.

Our Aspiration
For our employees across Johnson & Johnson, our aspiration is that, by caring, one person at a time, we will help billions of people live longer, healthier, happier lives. We are privileged to work in an industry whose fundamental role is to help people live healthier lives. Our Credo unites the people of Johnson & Johnson in this mission.

Our Credo is a constant in a time of remarkable change: health care is one of the greatest social challenges—and opportunities—of our generation. Globally, we operate in a growing $6 trillion health marketplace. Growth is driven in part by demographic trends—an aging population in many developed countries and an expanding middle class in emerging markets—both of which are accelerating demand for health care. Governments need help in managing the rise of chronic diseases among growing populations. Consumers are becoming increasingly empowered in making their own health care decisions. There is increasing demand for preventative care. Yet, challenges abound.

Economic growth continues to lag in many parts of the world, and governments are increasingly focused on their costs as they work to reform health care systems. The cost and complexity of bringing meaningful innovations to market remain as significant as ever. Despite these challenges, throughout Johnson & Johnson we are profoundly optimistic about our future, about our competitiveness in this fast-changing, rewarding market, and about our ability to make positive, life-saving and life-improving differences for people.
Our Strategic Framework

Our Growth Drivers
Within the context of Our Credo and strategic principles, there are specific areas of focus for Johnson & Johnson that will help ensure our robust growth and prosperity for the future.

Creating Value through Innovation
Innovation at Johnson & Johnson means products, but it also means solutions. Innovation is a core component of our business success: one quarter of Johnson & Johnson’s global revenue comes from products introduced within the past five years. Meaningful innovation derives from the insight and spirit of our employees, and their ability to anticipate and understand the needs of our patients and customers and what they value. That impacts both what we do, and how we do it. So, while Johnson & Johnson will remain a leader in Research & Development, we are increasingly focused on being innovative in how we bring products to market, the kinds of partnerships we develop and how we operate our business. At Johnson & Johnson, innovation is everyone’s responsibility.

Global Reach/Local Focus
Johnson & Johnson is truly a global company, managing facilities in 60 countries, and selling products in about 150. We touch more than one billion people around the world every day, but helping the next billion people might not be so easy. In the developing world, income levels, while growing rapidly, are lower. Unmet health care needs abound. Demand for health care in these markets is growing three or four times faster than developed markets. While we are headquartered in the U.S., our mindset is global—we’re focused on new products, new technologies and new business models that truly connect with the way our customers live. Already, 55% of Johnson & Johnson’s business comes from outside the United States; and that proportion continues to grow. In this new world, our focus is on expanding our presence to help more people and delivering health care in a sustainable way.

The Leadership Imperatives
The pursuit of our Growth Drivers is guided by the Leadership Imperatives: Connect, Shape, Lead and Deliver. They are proof that we recognize that how we achieve results is as important as the results themselves. We expect leaders to develop deep insights into the needs of our stakeholders, to drive innovation and advance health care globally by anticipating and shaping change in our industry, to create an environment where leadership and talent development are top priorities and to deliver results by inspiring and mobilizing people and teams.

Broadly Based in Human Health Care
As a major player in three market segments and with a focus on the full continuum of care—prevention, diagnosis and treatment—Johnson & Johnson competes in fully one-third of the global health care marketplace. Our breadth helps drive consistent performance and enables us to pursue growth opportunities—including in some of the fastest growing segments of health care—wherever they arise. It allows us to respond to purchasing trends with governments and large customers. Perhaps more important, it allows us to think about patient care holistically, drawing on insights from multiple perspectives in a disease category. In the end, being broadly based allows us to stay true to Our Credo in the face of an ever-evolving health care environment.

Managed for the Long Term
At Johnson & Johnson, our focus is on managing for the long term—building the long term equity of our brands, building sustainable customer loyalty and building shareholder value over time. As a result, 70% of our sales are from products that are #1 or #2 in global market share. Key to this long term approach is disciplined portfolio management—maintaining focus on specific therapeutic areas and building a critical mass of innovation in those areas. Indeed, we invested $7.5 billion in R&D in 2011 and have one of the strongest new product portfolios in the industry. Approximately two-thirds of our growth over the past 10 years has come from organic growth tied to innovation, with the balance coming from licensing, partnerships and acquisitions.

Decentralized Management Approach
Our decentralized management approach is based on our belief that our leaders—those closest to patients and customers—are in the best position to understand and address their needs. This philosophy has been critical to our global expansion. Our R&D centers in emerging markets develop products based on local insights and patient needs—often starting with one of our powerful global brands. We’re expanding our product offerings to meet the unique needs of the growing middle-class and emerging markets in high-growth countries.

Our People and Values
Our people and values are the common thread behind Our Credo, our strategic principles and our growth drivers. Johnson & Johnson people are engaged, caring and committed. The unique Johnson & Johnson culture and the values are inspired by our company’s Credo. They are complimented by extensive efforts to cultivate and develop the talents of our people. At Johnson & Johnson, we are committed to attracting, developing and retaining the very best talent—talent that fosters our aspiration and growth.

Our Aspiration
Our strategic principles have served our company well for decades. Along with Our Credo, they are the foundation from which we drive growth, and they have enabled us to achieve dramatic advances in health care for our patients and customers.

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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.

Johnson & Johnson