

Position on Climate Action

Background

In the field of climate science, there is consensus that human activities through emissions of greenhouse gases (GHGs), have unequivocally caused global warming. The Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Synthesis Report, released in March 2023, emphasizes that this has led to widespread adverse impacts and related losses and damages to nature and people.¹

According to the World Health Organization, "climate change is the single biggest health threat facing humanity, and health professionals worldwide are already responding to the health harms caused by this unfolding crisis." Climate change is impacting health in countless ways, including changing infectious disease patterns, increasing extreme weather events and heat, the risk of drought, floods and subsequent food insecurity, increasing respiratory disease from poor air quality and increasing risks to mental health and well-being.²

Relevance

As the largest, most diversified healthcare products company, Johnson & Johnson recognizes that we must do our part to reduce our own impact on climate change while also preparing our business for potential consequences of climate change and supporting the adaptation and resilience of global healthcare systems.

Guiding Principles

Our commitment to environmental health is grounded in [Our Credo](#) values, which include our unwavering commitment to patients, doctors and nurses as well as our responsibility to "maintain in good order the property we are privileged to use, protecting the environment and natural resources." It is also inspired by our Company's Purpose to change the trajectory of health for humanity. We know that human health and environmental health are fundamentally linked—healthy people need a healthy planet.

Our Position

We have a responsibility to do our part to mitigate climate change by decarbonizing our operations and value chain.

The IPCC has concluded that to avert catastrophic health impacts the world must limit global temperature rise to 1.5°C above pre-industrial levels. To align with this, businesses should implement reductions of GHG

¹ <https://www.ipcc.ch/report/sixth-assessment-report-cycle/>

² <https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health>

emissions within their control, aligned with climate science, and should also engage in activities to mitigate Scope 3 value chain emissions, which are outside their immediate control but where they may have influence.

Johnson & Johnson has been setting and achieving carbon reduction goals [for more than two decades](#). Specifically, we are committed to:

- Sourcing 100% of our electricity needs from renewable sources by 2025;
- Reducing absolute Scope 1 and 2 emissions 60% from 2016 levels; and
- Reducing absolute upstream value chain (Scope 3) emissions 20% by 2030, from 2016 levels.

Our operational emissions goal has been validated by the Science-Based Targets initiative (SBTi) as being consistent with the reductions required to keep global warming to 1.5°C. We also have an ambition to achieve net zero carbon emissions across our value chain by 2045.

We work closely with key suppliers and industry partners on initiatives and workstreams within our extended value chain to measure and reduce carbon emissions within prioritized procurement categories.

Additionally, we recognize the opportunity to engage our employees around the world. Through dedicated internal programs and trainings, we are inspiring them to take both personal and professional action to help mitigate climate change.

Read more about our approach to climate action [here](#).

We have a responsibility to adapt our business to the potential impacts of climate change.

According to the 2022 Global Risks Report by the World Economic Forum, the environmental risks of extreme weather events and temperatures, accelerating biodiversity loss and failures of climate-change mitigation and adaptation could result in disruption of critical infrastructure and global supply chains.³

To ensure we are able to continue to meet the needs of patients, doctors, nurses and customers, we advance climate adaptation strategies for resilient operations and supply chains. This includes evaluating related risks associated with a changing climate and integrating them into our risk mitigation programs, business continuity and capital planning programs.

Johnson & Johnson's process to identify, assess and respond to climate-related risks and opportunities is integrated into a multi-disciplinary [Company-wide risk management process](#) that covers all stages of the value chain (direct operations, upstream and downstream). For more information, see Johnson & Johnson's climate-related risk disclosures in our Task Force on Climate-related Financial Disclosures (TCFD) [report](#).

Additionally, our customers, including hospitals and healthcare systems, are increasingly considering environmental attributes and carbon footprints in their procurement decisions, and we recognize the opportunities for our Pharmaceutical and MedTech businesses to deliver more sustainable products and solutions. Read more about our work [here](#).

We believe multi-stakeholder engagement is essential to improving climate health at the rate and scale needed.

While companies have a responsibility and ability to impact issues related to their own operations, the unilateral capabilities of businesses are limited; addressing complex challenges like climate change requires

³ Global Risks Report 2022, 17th Edition, World Economic Forum, 2022, pages 30-44.

the collaboration of companies with governments, industry peers and non-governmental organizations to achieve systemic change at scale.

We participate in coalitions that publicly support actions to promote a low carbon economy and mitigate climate change. For example, we work with other companies and organizations through the [Clean Energy Buyers Alliance](#) and the [Climate Leadership Council](#) to share best practices and encourage the advancement of a broad set of policy solutions in support of renewable energy and market based climate policies. We support initiatives and public-private partnerships that promote and drive innovation and the scale-up of renewable and low-carbon technologies.

We have a responsibility to contribute to a climate resilient healthcare system and healthcare workforce.

In addition to direct impacts on human health, climate change also threatens the capacity of health systems to manage and protect human health, including by limiting access to critical services. Areas with weak health infrastructure, mostly in communities that are already vulnerable or disadvantaged, will be the least able to prepare for and respond to climate-related disruptions.⁴

At Johnson & Johnson we are committed to working with like-minded partners to support communities that are experiencing the impacts of climate change on human health, including issues related to climate change and health equity. Our support focuses on empowering healthcare workers and strengthening the resilience of healthcare systems that are susceptible to the impacts of climate change. Read more about our approach to advancing environmental health equity [here](#).

Governance

Monitoring and overseeing progress against goals for addressing climate-related issues is a scheduled agenda item on the Board of Directors' relevant Committees, including the Regulatory Compliance & Sustainability Committee (RCSC). The Chief Sustainability Officer (CSO), who leads the Office of Sustainability, presents updates on the progress toward climate-related goals and targets to the RCSC at least annually. The CSO provides regular updates (at least quarterly) to the Executive Vice President, Chief Technical Operations & Risk Officer, who is a member of the Company's Executive Committee, and a management representative to the Board of Directors in the RCSC. The Executive Vice President, Chief Technical Operations & Risk Officer has ultimate approval over the climate risk strategy, policies and release of climate-related information.

Key milestones in furtherance of our climate strategy are included as part of our Enterprise strategic goals, which are in turn reviewed with our Board of Directors on a quarterly basis and used to hold our CEO and other named executive officers accountable for business performance. In addition to Executive leadership, members of our senior management have climate-related performance indicators as part of their individual annual goals and objectives. Our external climate goals are considered among the key performance indicators of our ESG performance.

⁴ [Climate change and health." World Health Organization, 2021.](#)

Reporting and Disclosure

We are committed to transparency and continued improvement of our climate disclosures. To address the evolving needs of our stakeholders, we report on our climate progress annually and ensure the availability of data through our [Health for Humanity Report](#) as well as through [CDP](#) and [TCFD](#).

We understand that climate change mitigation, [water](#) stewardship and conservation of [biodiversity](#) are interconnected, and we are taking action in each of these areas. Read additional ESG policies and positions [here](#).

Application

This Position is relevant for the Johnson & Johnson Family of Companies, as detailed in our [governance materials](#). We provide updates relating to climate in our annual [Health for Humanity Report](#).

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