

# Position on Employee Compensation and Benefits

## Background

A positive and socially responsible workplace aims to compensate its employees fairly and equitably. Providing fair and competitive pay and benefits to employees can be shown to support motivation, attraction and retention, all of which help a company maintain a competitive position in the marketplace. At the same time, employees who are compensated fairly and supported through additional social benefits are able to make a positive contribution to the economic life in their communities as consumers of local goods and services.

## Relevance

As the world's largest and most broadly based healthcare company, Johnson & Johnson has a considerable impact on local communities through the individuals who form our family of companies. When we compensate our employees with good pay and benefits, we help them be motivated and empowered to contribute at their best. In doing so, we advance our purpose of blending heart, science and ingenuity to change the trajectory of health for humanity and help advance prosperity around the world. At the same time, as a large and responsible corporation, we make a positive contribution to society by helping our direct employees and their dependents along a path to maintaining physical, mental and financial wellbeing.

## Guiding Principles

As stated in [Our Credo](#): "We are responsible to our employees who work with us throughout the world.... Compensation must be fair and adequate and working conditions clean, orderly and safe. We must support the health and well-being of our employees and help them fulfill their family and other personal responsibilities."

## Our Position

We support the right of individuals to fair compensation for their work and aim to provide competitive compensation and valuable benefits for employees at all levels. We always observe legal minimum wage provisions and often exceed these. Through our Global Compensation Framework, we reward employees in a way that recognizes their contributions to our business and is consistent worldwide. We are committed to pay equity, including gender and racial/ethnic group pay equity, and seek to ensure through our practices that pay decisions are based on merit. Our benefits packages aim to improve the quality of life for employees by providing practical support for family, health, education and long-term financial management needs. To better support our employees, we seek to understand their entire lifecycle needs at work and help enrich their lives and those of their loved ones with a holistic range of benefits, starting with health and wellbeing and

extending to retirement planning and finances. We believe in investing in our people to create a virtuous cycle that pays us all back: the healthier our employees and their families, the healthier our business—and the healthier our world.

We offer employees benefits that fall into three categories:

- Healthiest Employees;
- Healthiest Families; and
- Healthiest Finances.

The following is not an exhaustive list but is representative of the comprehensive benefits we offer at the time of this update (see below for date). Where possible, we apply benefits globally. However, in certain cases, local regulations or market norms govern local practice.

### Healthiest Employees

- **On-site health centers** and services at several of our locations across the globe that provide state-of-the-art, integrated health and wellness services with an emphasis on prevention and education, as well as immediate injury/illness care, occupational health and personal health coaching.
- **On-site fitness centers** at several of our locations. We also offer a reimbursement program covering fitness center memberships, group exercise classes and personal training sessions.
- **Employee Assistance Programs** and Work Life Services including counseling with mental health professionals.
- **Healthy eating options** and healthy weight support at our facilities.
- **Health screenings**, cancer awareness and prevention.
- **Energy management and resilience training** through our ENERGY FOR PERFORMANCE in Life program. Employees at any Johnson & Johnson company location worldwide can take the course for free either as a webinar or in person. The course helps participants learn how to manage and expand their energy capacity to perform at their best in all areas of their life.
- **Modified duty** and support for returning to work after an injury or illness.
- **Access to International SOS for business travel**, providing one-click access to assistance, as well as medical and security alerts for business travel destinations.
- **Tobacco-free workplace** and smoking cessation support.
- **HIV/AIDS confidential testing** and support.
- **Personal health assessment** and personalized digital health tools.
- **Transgender-inclusive health insurance** coverage (varies outside the U.S.).
- **Same-sex partner benefits** (varies outside the U.S.).

### Healthiest Families

- **Enhanced Parental Leave:** All new parents—maternal, paternal, adoptive or surrogacy-assisted—can take eight weeks of paid leave during the first year of the family's new addition at any of our operating companies across the globe. In addition, mothers in the U.S. who have given birth can take up to 17 weeks of paid leave.
- **Fertility, surrogacy assistance and adoption benefits:** Reimbursement for fertility treatments and adoption as well as surrogacy benefits. In the U.S., we offer \$35,000 in financial assistance for fertility treatments. We also provide adoption or surrogacy reimbursement benefits of up to \$20,000 per child.

- **Breast milk shipping:** We offer nursing mothers worldwide a temperature-controlled delivery service that lets mothers directly and safely ship breast milk back home for free while traveling for business purposes.
- **Childcare centers and discounts for childcare facilities:** We have childcare centers at six locations in the U.S. and provide discounts with a nationwide provider. Outside the U.S., we have centers at many of our sites, and offer employees discounts for childcare in at least six countries. In the U.S., we also offer emergency back-up childcare including for children with special needs.
- **Pet insurance benefits:** We offer partial benefit reimbursement for family pet insurance.\*

### Healthiest Finances

- **Pension/retirement plans:**\* We provide a non-contributory plan vesting after five years or upon reaching the age of 55.
- **Retirement savings plan 401(k):**\* Our plan provides an opportunity to save for the future while taking advantage of tax savings in the U.S. We match an employee's 401(k) contributions at 75 cents to the dollar, up to 6% of salary, which is 100% vested after three years of service. Outside the U.S., Johnson & Johnson provides retirement income through a variation of social plans, defined contribution and pension schemes.
- **Financial planning**, including student loans.\*
- **Enhanced military and first-responder benefits.**\*
- **Legal Benefit Plan** with access to legal counseling.\*
- **Tuition reimbursement** of approved tuition expenses and fees for programs relevant to an employee's career.
- **Fair compensation:** We reward employees in a way that recognizes their contributions to our business and aligns to our Global Compensation Framework.

\* Applicable in the United States only.

## Application

This position is relevant for the Johnson & Johnson Family of Companies, as detailed in our [governance materials](#). We also maintain an overview of benefits on Johnson & Johnson's [Careers website](#).

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