

Position on Environmental Health and Safety Management

Background

Environmental Health and Safety (EH&S) Management refers to the practices that protect environmental health and safety for the people in and around our workplaces—key elements of being a responsible corporate citizen and a resilient business. Strong EH&S Management requires clear systems and processes, especially in large businesses with multiple manufacturing and logistics facilities, that enable risk-based assessment and control of environmental impacts and health and safety hazards. In many cases, regulation defines minimum standards, and EH&S Management systems must therefore support compliance, as well as drive continuous improvement and learning.

Relevance

As the world's largest and most broadly based healthcare company, Johnson & Johnson relies on a safe, healthy and resilient workforce and environment to provide products and solutions that improve the health and wellbeing of people around the world. Our responsibility as stewards of the environment and as an employer committed to protecting the health and safety of our workforce contributes to the success of our business and our positive reputation. It is also foundational to our purpose to profoundly change the trajectory of health for humanity. EH&S Management is also critically important to our stakeholders, who expect Johnson & Johnson to perform strongly in this area and to publicly disclose details of our performance.

Guiding Principles

[Our Credo](#) defines our responsibilities and Company values, including those for employee safety and environmental stewardship, and states: “We are responsible to our employees who work with us throughout the world... working conditions must be clean, orderly and safe... We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.”

Our Position

The Johnson & Johnson EH&S organization is committed to creating safe and healthy places for people to live, work and thrive. Our EH&S Management approach is risk-based, proactive, systematic and responsive to change. Our EH&S Management approach is how we ensure compliance with our EH&S Policy and Standards. We do this through a global and integrated approach to the management of environmental health and workplace safety that includes the following elements:

Legal Compliance and EH&S Standards

Legal compliance: Legal compliance is foundational to our license to operate and a prerequisite for EH&S excellence. Each Johnson & Johnson entity is responsible for determining and complying with all global, national and local EH&S regulatory requirements applicable to its operations.

EH&S Standards: Our EH&S Standards ensure that all Johnson & Johnson entities achieve and maintain a consistent and high level of EH&S performance, everywhere in the world. Our EH&S Standards reflect industry best practices and address compliance where there may be gaps in local legal or regulatory requirements. Our Standards are regularly updated through a document management control process that governs change control for the Standards. All employees and contractors are expected to conform to our EH&S Standards.

Assuring compliance to EH&S Standards: We assure compliance with the EH&S Policy and this Position on EH&S Management via various methodologies including, but not limited to, an independent, internal EH&S audit program, voluntary third-party certifications, routine local site inspections, program reviews and regulatory inspections. Our “good saves” process encourages every employee to “see something, say something, do something,” as does our “Eyes Always Open” process that enables internal site visitors to recognize positive EH&S practices and opportunities for improvement.

Third-party management system certifications: Johnson & Johnson’s major manufacturing and research and development (R&D) sites are registered to an ISO 14001 Environmental Management System Group Certificate. We certify our manufacturing and R&D sites to the ISO 14001 Standard within three years of establishment or acquisition. We also encourage certification to the Occupational Health and Safety Standard, ISO 45001.

EH&S Culture, Training and Integration

EH&S culture: We actively promote an EH&S culture of caring, accountability, proactivity, learning, transparency and inclusion. While procedures, systems, and engineering controls play an important role in creating a safe and environmentally sustainable work environment, our daily behaviors influence their effectiveness. With that in mind, we foster an EH&S culture, driven by strong visible leadership, where everyone is responsible for their own safety as well as the safety of others. We encourage employees to report to management any behavior or condition inconsistent with this position and to express ideas on how we may improve our EH&S performance.

Training and engagement: We continually build the capabilities of our EH&S organization, so our team has the business acumen, technical and leadership capabilities, confidence, and resilience to be successful. We focus on understanding and anticipating the current and future technical and leadership capability needs to support our evolving business strategies and adoption of new technologies and ways of working. We utilize an EH&S capability assessment process to identify individual needs and to shape global training curriculum and content to supplement local training efforts. We provide a suite of training programs for our EH&S professionals, employees, contractors and visitors. Safety training is mandatory for all new employees.

We hold annual enterprise-wide events to promote employee engagement in personal safety and environmental sustainability. Safety Month is a focused period of education and collaboration to improve safety practice, engaging employees from across the Company in our offices, in the field, in our labs and on the production floor. Similarly, Environment Month educates and activates employees to protect the environment and make sustainability a way of life at work and at home.

Integration of EH&S: For EH&S to be sustainable, it must be integrated into day-to-day decision-making and business practices. We partner with several business functions, including Engineering, Operations, Engineering & Property Services, and Procurement to integrate EH&S into Johnson & Johnson business practices and strategies. For example, EH&S is a design criterion for new processes and equipment and new construction projects, and EH&S assessments are part of our new supplier, property and business acquisition due diligence processes. New acquisitions are included in our data reporting within two years of acquisition and must fully comply with our Standards no later than three years after the acquisition. Management of change processes include an assessment of the EH&S implications of the change and measures that should be taken to assure ongoing legal compliance and conformance to our EH&S standards.

External supply: We have developed, and continue to refine, our network of supply partners who are safe and environmentally responsible. Since the launch of [Johnson & Johnson's Responsibility Standards for Suppliers](#), the EH&S organization has developed and implemented processes and tools to identify, assess, and manage the EH&S risk associated with targeted suppliers. We provide expertise to identify, understand, and reduce EH&S risk in our supply base and to build the EH&S knowledge and capabilities of our external supply partners.

Risk Assessment, Incident Investigation and Emergency Preparedness

Risk assessment and controls: We use advanced tools and programs to routinely identify hazards and reduce risks in our workplaces, including manufacturing sites, labs, vehicles, and offices. Risks are assessed using the Johnson & Johnson Risk Matrix at the design stage, during routine and non-routine operations, and whenever change occurs. All Johnson & Johnson sites are required to identify, assess and record environmental aspects/impacts and safety hazards/risks inherent in (current, modified, new and planned) activities, processes, products and services over which the site has control and influence.

In addition to recognizing overall hazards, we have a process for recognizing and isolating high-hazard situations that could result in Severe Injury or Fatality (SIF). Our SIF prevention program is also designed to proactively identify and mitigate SIF risk through the identification and analysis of SIF Precursors (SIF-Ps), a high-risk situation in which management controls are either absent or not complied with, and could result in a severe or fatal injury if allowed to continue. SIF-P events are subjected to detailed analysis to ensure appropriate corrective and preventative actions (CAPAs) are identified to prevent recurrence both locally and across the Enterprise.

We measure the incorporation of high-value controls included in the CAPAs developed as a result of a SIF-P. High Value Controls include Elimination (physically remove the hazard), Substitution (replace the hazard), and Engineering (isolate people from the hazard).

We have a set of Life Saving Rules (LSRs) that identify our most critical safety hazards that, if not controlled, can lead to severe events, including fatalities. The LSRs are included within the EH&S Standards. The Standards require that employees and contractors are informed about and adhere to the Johnson & Johnson LSRs. Any breach of LSRs is managed as an SIF-P event.

Incident reporting and investigation: All EH&S incidents are reported in our global EH&S incident management data system. We use a process to escalate EH&S non-compliances and other applicable EH&S incidents to management, which includes requirements for initial notification, updates, and complete investigation. Such incidents are subject to comprehensive investigation, including root cause analysis of human and organizational factors to ensure appropriate actions are identified to prevent recurrence. EH&S incident CAPAs are prioritized and tracked to closure. Learnings are shared across the Enterprise through safety alerts and shared learning communications.

Emergency preparedness: While our first priority is to prevent negative EH&S events, emergency response is our last line of defense and can mitigate the negative impact if an event occurs. Emergency preparedness is thus an integral element of the EH&S Management system. All operations are required to have Emergency Response plans and resources to respond rapidly and control emergency incidents. Emergency drills are conducted annually in conjunction with local emergency services. Rapid response ensures minimal impact on people, the environment and the business. Emergency response plans include natural disasters, fire, accidents and medical emergencies.

Managing and monitoring performance

We focus on leading and predictive indicators to prevent workplace injuries and environmental incidents. We collect data on a suite of leading indicators and deploy global data systems, digital tools, and predictive analytics to gain better visibility of EH&S risks. By putting our data to work through predictive analytics and visualization tools, we gain insights that help us anticipate and proactively mitigate risks that could lead to injury, environmental impact, or non-compliance.

EH&S Strategy and Governance

Strategy and goal setting: We seek to continually improve our EH&S performance and set both short- and long-term goals and targets. The EH&S organization conducts annual work and budget-planning processes that consider the EH&S long-term strategy, regional and segment specific EH&S priorities, multi-year strategies of the various EH&S Centers of Excellence, benchmarking, annual performance results, and emerging EH&S initiatives and concerns. These processes result in the determination of annual goals and associated performance indicators and targets. Annual enterprise goals and targets are reviewed and endorsed by the EH&S Leadership Team, EH&S Council, comprised of EH&S leaders and representatives from key function and business divisions, and the Supply Chain Leadership Team (SCLT).

The EH&S organization updates its long-term strategy and goals every five years. The EH&S long-term strategic planning and goal-setting processes include the same inputs, reviews, and endorsements of the annual processes, with input from additional internal and external stakeholders through our Priority Topics Assessment conducted by the Office of Corporate Governance. Long-term goals are reviewed and approved by the SCLT, the Johnson & Johnson Executive Committee, and the Science, Technology and Sustainability Committee of the Board of Directors.

Governance: We govern EH&S compliance and performance across multiple levels throughout the Enterprise, from the site level to the Johnson & Johnson Board of Directors. The global Vice President of Environmental Health, Safety & Sustainability (EHS&S) is responsible for providing oversight of the EH&S Policy, while the global Vice President of EH&S, who reports to the Vice President of EHS&S, is responsible for implementing the EH&S Management System in partnership with key functional teams such as Engineering & Property Services and Global Health Services, as well as business partners at the local, regional and enterprise levels. The EH&S Council provides additional guidance and oversight of the EH&S Policy and Management System.

The EH&S organization assigns single points of contact (SPOCs) to each of our business segments. The EH&S SPOCs review EH&S performance with segment business leaders on a quarterly basis. Site-level EH&S staff review EH&S performance with appropriate plant managers/general managers on a monthly basis and site leadership teams and governance councils as needed. Johnson & Johnson's SCLT reviews performance metrics on a quarterly basis via the SCLT scorecard, which includes multiple enterprise-wide EH&S leading and lagging indicators.

Johnson & Johnson's Science, Technology and Sustainability Committee of the Board of Directors, the Regulatory Compliance Committee of the Board of Directors, and the Executive Committee routinely review EH&S performance and compliance.

EH&S Performance Data and Reporting

EH&S performance and compliance data are managed and maintained within a global EH&S information system. Key performance indicators are published via multiple dashboards across Johnson & Johnson, including an EH&S data visualization tool made widely available on Johnson & Johnson's intranet.

We report our performance data externally in our annual [Health for Humanity Report](#). Additionally, we maintain and publish our position on several aspects of EH&S to inform our stakeholders. All these positions can be viewed on Johnson & Johnson's [ESG Policies & Positions webpage](#).

Application

This position is relevant for the Johnson & Johnson Family of Companies, as detailed in our [governance materials](#).

Last Updated: June 2020