

Position on ESG Governance

Background

Environmental, social and governance (ESG) practices in business refer to responsible, transparent and accountable practices alongside aspirations to generate a positive social and environmental contribution, in addition to strong business results, for the benefit of current and future generations. ESG is used as an overarching term that includes the similar concepts of corporate citizenship, social impact or value, corporate social responsibility and/or sustainability work. In today's business landscape, sound ESG management practices and oversight are considered to be a strategic component of businesses that are successful over the long term, helping enhance shareholder value as well as delivering other benefits.

By definition, ESG management addresses all aspects of a business's activities, involving all levels of leadership and staff, and all business segments and functions, making the proactive management of ESG strategy an important competency that reflects the cross-functional nature of a business and its geographic breadth. In order to drive ESG practices strategically, therefore, it is necessary to establish a leadership and management structure for decision-making, assessment and prioritization of relevant topics and organizational engagement.

Relevance

Now more than ever, businesses are expected to lead in the present and drive progress for the future. For more than 135 years, Johnson & Johnson has aimed to create a healthier world. As the largest, most diversified healthcare products company, Johnson & Johnson plays a leading role in advancing a sustainable business. Effectively managing our ESG priority topics both helps protect our business from risks—such as climate change risk, reputational risk and more—and furnishes us with occasions to engage more deeply with those impacted by our business. This enhanced engagement gives us a clearer understanding of how we may better meet their expectations and needs as well as uncover opportunities for unlocking business value. In this way, we are better equipped to allocate resources to deliver on Our Purpose to change the trajectory of health for humanity. Given our large size and geographical breadth, it is imperative that we take a proactive leadership approach to ESG management and maintain a supportive governance structure to continue to address the interests of our stakeholders and provide value to our shareholders, ensuring the long-term success of Johnson & Johnson.

Guiding Principles

As stated in [Our Credo](#): “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, better health and education, and bear our fair share of taxes.”

Our Position

Johnson & Johnson ESG strategy: Johnson & Johnson has a unique ability to apply its expertise and partnering power to solve some of the most difficult global health challenges. We are a purpose-driven company, and how we deliver enduring impact is embedded in our business strategy through execution of our ESG strategy, which frames our ambitions, informs our operations and creates accountability for our vision of the future. We focus our efforts on the areas where we are uniquely positioned to achieve the greatest impact—championing global health equity, empowering our employees and advancing environmental health. Leading with accountability and innovation is foundational to these efforts and essential to achieving Our Purpose, creating a virtuous circle that enhances economic, environmental and social value for all those we serve.

Our ESG focus areas are grounded in Our Credo values, fuel progress toward our Company’s Purpose and build on a foundation of accountability and innovation. Our ESG strategy serves as our guide for creating sustainable value over the long term while also informing the goals we set and disclosures we make. Our ESG management approach is designed to effectively govern and manage ESG risks while also enabling us to identify opportunities that accelerate our business strategy and unlock business value to benefit a wide variety of stakeholders. This reflects our long-held belief that creating societal value is inextricably linked with generating long-term business value.

ESG governance and oversight: The Company’s dedication to integrating ESG into our business strategies starts at the top, where the Board of Directors has overall accountability for ESG risk management oversight. Effective ESG governance requires both management engagement and Board-level oversight. The key levels of governance include:

- **Johnson & Johnson Board of Directors (Board):** The Board’s ESG risk management approach is designed to effectively govern and manage the ESG risks and opportunities that are integral to the Company’s core business strategy. Significant ESG risks are reviewed and evaluated by the Board and its Committees as part of their ongoing risk oversight of our Company.

On an annual basis, the full Board receives an in-depth briefing on the Company’s ESG strategy, including updates on its ESG priorities, performance and progress. In addition, the Board receives quarterly performance updates on key ESG risks and opportunities. After each regularly scheduled Committee meeting, the Board’s standing Committees report to the full Board with updates on their areas of designated oversight responsibilities, ensuring that our short- and long-term strategies are designed to promote sustainable growth.

For example, the Regulatory Compliance & Sustainability Committee reviews and discusses with management the progress of sustainability goals and objectives within the Company, and external industry benchmarks and practices in the area of ESG. Furthermore, the Compensation & Benefits

Committee reviews the performance of our CEO and Executive Committee using financial and non-financial metrics, including those relating to implementation of our ESG and access to medicine strategies. The Company's annual [Health for Humanity Report](#), including progress on our [Health for Humanity Goals](#), is shared with the Regulatory Compliance & Sustainability Committee and the full Board prior to publication. The Chairman of the Board and CEO, the Disclosure Committee and Disclosure Sub-Committee* reviewed the Report outline and metrics, and the Disclosure Committee reviewed the full Report. The Board has overall accountability for ESG risk management oversight. The Board also considers feedback from our shareholders and other stakeholders to ensure that our short- and long-term strategies are appropriately designed to promote sustainable growth.

- **Johnson & Johnson Executive Committee (EC):** Our executive leadership team retains overall responsibility for ESG as part of our business strategy. Members of our executive leadership team oversee ESG in the form of either performance indicators or key performance indicators of our ESG performance relevant to their organizations through progress toward our Health for Humanity 2025 Goals and Consumer Health Healthy Lives Mission sustainability program.
- **Enterprise ESG Program Office (EEPO):** The EEPO is responsible for raising visibility of ESG issues and activities that span multiple groups across the Enterprise, and for facilitating connections between teams and departments to manage ESG topics. Working together with other functional partners and the business segments, the Enterprise ESG Program Office advances the Company's ESG agenda by helping to lead and define what ESG means for the Company and also for its ESG practices. This Office strengthens ESG governance, and drives decisions as well as useful, relevant and meaningful ESG information for stakeholders, including investors, informed by both internal and external stakeholder insights. The EEPO is also responsible for providing extensive disclosures on our ESG efforts, including the annual [Health for Humanity Report](#).
- **Enterprise Governance Council (the Council):** Responsibility for identifying and prioritizing ESG risks and opportunities is integrated across the Enterprise and managed by the Council, which serves as the Company's primary governance body for ESG and is led by its Worldwide Vice President, Corporate Governance and Corporate Secretary. The Council is comprised of senior leaders who represent our three business segments, our independent compliance functions and our Enterprise functions that have the ability to impact ESG issues. While the Corporate Compliance Committee serves as the primary governance structure for information sharing and coordinating compliance-related risks across core independent compliance risk functions, the Council serves as the community of experts—including the leaders of the independent compliance risk functions—to drive visibility and alignment on both managing risks and activating opportunities related to ESG priorities.

The Council, which meets quarterly, operates under a formalized process and protocols, including ongoing review and assessment of ESG priorities. This process is informed by the Enterprise Risk Management (ERM) framework, which helps us deepen our understanding of both financial and non-financial risks, support communication and collaboration across the Enterprise, and respond

* The Disclosure Committee comprises the Chief Financial Officer, General Counsel, Corporate Secretary, Head of Litigation plus leaders from the Controllers' office and Investor Relations and Global Audit & Assurance departments. The Disclosure Sub-Committee comprises the Corporate Secretary and leaders from the Controllers' office and Treasury and Investor Relations departments.

appropriately as new circumstances evolve. As ESG priority topics are integrated into our ongoing standardized approach to risk assessment, the Company can prepare a clear and consistent view of existing and emerging risks, identify controls and develop mitigation plans.

The Council discusses and debates ESG issues that are significant to Johnson & Johnson, including the assessment of environmental and societal megatrends and shifts like climate change as well as investments needed to help contribute to a sustainable economy. The Council has also developed an ESG training program for Council members and their teams.

The Council reviews and supports progress against the Company's [Health for Humanity Goals](#), which serve as key performance indicators of our ESG performance. Progress on our goals and on other ESG or sustainability topics are also reviewed by the Board and its Committees on a regular basis.

The Council leads the Company's Priority Topics Assessment (PTA), which engages internal and external stakeholders to identify and prioritize the ESG topics that are most relevant to our business. We continually enhance the PTA methodology to conduct deeper and broader stakeholder engagement across a larger number of ESG topics. The PTA has occurred every two to three years since 2008, but due to the continued world-shaping events of the COVID-19 pandemic and racial and social events of 2020, we conducted refreshes of our PTA in both 2020 and 2021. Our 2019 and 2020 PTAs shaped and informed our current set of public commitments, which were released in May 2021. These 21 goals are aligned with our Company's purpose, reflect the areas where our stakeholders expect us to lead, and help fuel the global United Nations Sustainable Development Goals agenda for a sustainable future for all.

- **Johnson & Johnson employees:** In addition to those across the Enterprise with formal job responsibilities related to ESG and sustainability, thousands of employees around the globe support the implementation of ESG initiatives in their everyday work and help us make steady progress toward our bold vision of changing the trajectory of health for humanity.

Application

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

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