

# Position on Ethical Sales and Marketing

## Background

The healthcare industry, like any other, has a right to market its products to drive awareness and promote their availability. However, the primary consideration for the use of a healthcare product or medicine relates to its suitability to treat a medical condition or meet a medical need as both indicated by a regulatory body and determined by healthcare professionals (HCPs). These considerations should be separate, as far as possible, from commercial interests. Therefore, healthcare companies are expected to align themselves with ethical standards relating to marketing, promotion and sales of healthcare products, to protect patients and consumers and to refrain from activities that might inappropriately influence the decisions of HCPs.

## Relevance

As the world's largest and most broadly based healthcare company, Johnson & Johnson and its Family of Companies conduct a wide range of activities in the healthcare marketplace everywhere we do business including research, education, marketing and sales. In order to protect our employees, patients, consumers, and our business, we must take every reasonable measure to ensure we operate in accordance with laws and ethical standards in the way we communicate about our products and promote them in our diverse markets.

## Guiding Principles

At Johnson & Johnson, we are committed to maintaining the highest level of integrity and ethical and compliant conduct. As stated in [Our Credo](#): "We must provide highly capable leaders 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...." Also, our firm commitment to ethical and compliant conduct is embedded in Johnson & Johnson's [Code of Business Conduct](#).

## Our Position

At Johnson & Johnson, we strive to operate with the highest standards of business conduct and transparency through all communications with patients, consumers, HCPs and other stakeholders. We are committed to responsible, ethical and patient-centered sales and marketing practices for our Pharmaceutical, Medical Devices and Consumer Health products and services. Our sales and marketing efforts seek to accurately inform health decisions and consumer choices. Our approach includes:

**Enforcing the highest standards:** Our sales and marketing practices are governed by the Johnson & Johnson [Code of Business Conduct](#), our U.S. Healthcare Consolidated Guidance, our

Johnson & Johnson International Health Care Business Integrity Guide (HCBIG), our [Position on Responsible Interaction with Healthcare Professionals](#), relevant national laws, regulations, and industry codes and guidelines. We aspire to bring the highest standards and level of integrity to our sales and marketing activities by following all laws and regulations regarding the promotion, marketing and sales of our products, including ensuring that what we say is truthful, not misleading, and is consistent with regulatory approvals for our products. All Johnson & Johnson operating companies follow internal guidelines for promotional communication, which are regulated through strong internal review processes. All promotional materials used must be consistent with the currently approved product information (label and instructions for use) in a country of operation and must be periodically reviewed and updated if new scientific evidence becomes available.

- **Internal standards for interacting with HCPs:** Johnson & Johnson operating companies interact with HCPs for a wide variety of reasons including product consulting, promotional speaking, product development, clinical research and educational events. Our guidelines and policies are designed to ensure that HCP interactions take place in a compliant and transparent way. Rules for interactions with HCPs that involve the exchange of anything of value require the following:
  - Services must fulfill a legitimate, documented business need.
  - Services must be provided based on qualifications, experience, and special knowledge or capabilities.
  - Any compensation must be based on fair market value.
  - Payment or funding must never be based on the current or anticipated future purchasing or prescribing of Johnson & Johnson products.
  - Reimbursement for travel, lodging and meal expenses must be reasonable, documented and in line with Johnson & Johnson's travel and entertainment policy.
  - Locations where interactions with HCPs occur should be conducive to the exchange of business or scientific information.
  - Johnson & Johnson operating companies must not provide recreation or entertainment to HCPs, such as attendance at sporting events.
  - Meals and refreshments provided to HCPs must be modest in value and not a focal point of the meeting.
  - Proper documentation is required for all services.
  
- **Industry standards for interacting with HCPs:** In addition to our internal standards, a broad range of industry guidelines and regulatory laws in the countries where we operate govern the wide variety of scientific, sales, promotional and marketing arrangements with both public and private entities and individuals, including HCPs. These include:
  - The Advanced Medical Technology Association Code of Ethics on Interactions with Health Care Professionals;
  - The Pharmaceutical Research and Manufacturers of America Code on Interactions with Healthcare Professionals;
  - The PhRMA Guiding Principles on Direct-to-Consumer Advertisements About Prescription Medicines;
  - The International Federation of Pharmaceutical Manufacturers of America Code of Practice;
  - Volunteer codes and guidelines of the Consumer Healthcare Products Association; and
  - Other similar trade association codes around the world.
  
- **Enforcing due diligence:** Our approach to ethical sales and marketing extends to third parties. Due diligence is regularly conducted on third-party intermediaries to help ensure compliance with our

policies and standards, including due diligence activities at pre-contractual phase before we enter into an agreement with a third-party intermediary. The contracts with intermediaries include requirements that intermediaries must abide by when interacting with customers on our behalf including, among others: compliance with applicable anti-corruption laws and the policies contained in our HCBIG; agreement to certify compliance periodically at our request; and agreement to allow auditing of their activities by Johnson & Johnson.

We monitor and enforce compliance with these internal and external standards for sales and marketing through our global compliance program.

**Providing ongoing training for sales representatives:** Johnson & Johnson provides sales representatives with ongoing scientific training and product knowledge. We require our sales representatives and third-party intermediaries to be familiar with the Johnson & Johnson Healthcare Consolidated Guidance, the Johnson & Johnson International HCBIG and all applicable laws, regulations and industry codes. For each product promoted, the sales representative must have the most recent product information, as approved by the appropriate internal and external authorities.

All employees, including sales representatives, Medical Science Liaisons and their respective managers are properly trained on the reporting of complaints and adverse events relating to Company products. Employees are required to promptly report to their respective Johnson & Johnson operating company on all adverse events and incidents.

**Participating in scientific exchange:** To remain informed about the latest advances in scientific and medical research, we participate in various scientific events and forums. A Johnson & Johnson operating company may sponsor or organize congresses, symposia and other educational meetings that are primarily intended to support the dissemination and exchange of scientific and medical information.

These events may be organized by third parties or, where permitted under applicable laws and codes of conduct, directly by a Johnson & Johnson operating company. Sponsorship of such activities may consist of financial, scientific, technical, organizational, and/or logistical support. In instances where a Johnson & Johnson operating company is the sole sponsor or is directly organizing the event, these events must be organized for scientific exchange and not with the primary goal of promoting Company products.

Where consistent with local law and applicable codes of conduct, a Johnson & Johnson operating company may provide or pay for travel, hotel, meals, and fees for HCPs to attend third-party or Company-sponsored congresses or symposia. However, support for attendance must not be conditioned upon any agreement or promise to prescribe or purchase any Johnson & Johnson products, and must meet Johnson & Johnson travel and expense policy limitations. The Johnson & Johnson operating company must document its selection criteria for supporting any HCPs to attend a third-party educational event. Selection criteria must be based on the educational need of the HCP or the HCP's institution, not on the potential to influence prescribing behavior. Additional details can be found in our [Position on Responsible Interaction with Healthcare Professionals](#).

**Direct-to-consumer marketing:** We believe direct-to-consumer (DTC) advertising contributes to greater awareness about conditions and diseases, which can benefit public health by increasing the number of patients appropriately diagnosed and treated. We require our employees to follow industry guidelines on advertising medicines and medical devices to ensure our product advertising and communications are helpful to doctors and their patients, and give them full information about the benefits and the risks of our products. Our communications are developed to comply with local laws and regulations; in countries where DTC advertising is not permitted, for example, we forbid it in our communications.

**Packaging and labeling standards:** Products developed and commercialized through our Pharmaceutical and Medical Devices businesses meet all applicable laws regarding package inserts, which contain appropriate information for HCPs and patients. For over-the-counter pharmaceutical products, packaging and inserts are likewise used to communicate with consumers. Our Consumer Health products include clear, easy-to-read instructions and information on how to use our products appropriately. Ingredients are listed for all products; however, we do not include sourcing information of components. Directions for proper disposal are included where necessary.

**Reporting suspected ethics or compliance violations or concerns regarding ethical sales and marketing:** The Credo Hotline is an integral component of the strong compliance culture at Johnson & Johnson. It provides a channel for all employees, contractors, customers, third-party agencies and other partners to report potential violations of our [Code of Business Conduct](#) or any of the standards and codes governing interactions and funding for HCPs. The Credo Hotline is available 24 hours a day, 7 days a week and in 23 languages. The concerns can be filed electronically on [www.credohotline.com](http://www.credohotline.com) or by calling a toll-free number from any international location.

## Application

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

*Last Updated: June 2020*