

Position on Ethics and Compliance

Background

Corporations play a significant role in society, and their actions can have far-reaching effects on people and communities. In order to protect people and guarantee a level playing field among corporations, laws and regulations governing the activities of corporations are in place in every country in the world, although they may differ from country to country. Ensuring compliance with all relevant laws and regulations is a fundamental duty of corporations and their governance.

Ethical conduct represents the behaviors required of all those who conduct business, based on appropriate values and guidelines that reflect the spirit of the law, and not merely on specific regulations.

Companies that operate in line with high standards of ethical and compliant conduct protect people, communities and their own business from risk, and establish a strong basis for sustainable business over time.

Relevance

As the world's largest and most diversified healthcare company, Johnson & Johnson requires clear, comprehensive and robust guidance across our large global corporation to provide an aligned and consistent framework against which all employees can assume their responsibilities. Johnson & Johnson companies conduct a wide range of activities in the healthcare marketplace, including research, medical education, product and procedure training, marketing and selling. These interactions involve many different healthcare stakeholders as well as employees, suppliers, business partners and officials from governments and health authorities around the world. A variety of legal and ethical standards, some of which are unique to the healthcare industry, apply to these activities.

In order to protect our people, our patients and our business, we must take every reasonable measure to ensure that we all operate in accordance with ethical and compliance laws and standards.

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..." Additionally, our firm commitment to ethical and compliant conduct is embedded in Johnson & Johnson's [Code of Business Conduct](#).

Our Position

At Johnson & Johnson, we are committed to maintaining the highest level of integrity and ethical culture. Our comprehensive policies, procedures and compliance training help our employees and contingent workers navigate the applicable laws, regulations and industry codes, as well as our own ethical standards.

Maintaining a robust organizational structure for managing ethics and compliance: Our compliance structure comprises experienced and qualified professionals across the organization, with reporting through to our Executive Management and Board of Directors. Each substantial operating company has a designated Health Care Compliance Officer responsible for compliance programs.

Our high-level compliance structure is shown below:

Embedding frameworks and tools that support consistent ethical conduct and compliance: Our main frameworks and programs for embedding ethical conduct and compliance across our global organization are:

- **The Code of Business Conduct (CBC):** The CBC is inspired by [Our Credo](#) and sets out the rules of ethical conduct we expect of all our employees at all levels in the business in every country in which we operate, without exception. It is easily accessible across multiple channels, including our corporate intranet, and available to all employees in 27 languages. All Johnson & Johnson employees and certain categories of contingent workers are assigned and required to complete the CBC training every two years. Compliance and ethical leadership are also part of the performance assessment, including for our most senior leaders.
- **Health Care Compliance (HCC) policies:** HCC policies set out the overarching compliance framework that applies to the global interactions and activities of Johnson & Johnson companies. It identifies the structures through which Johnson & Johnson fulfills its compliance and oversight responsibilities and describes the compliance expectations of Johnson & Johnson companies around the world. It covers standards for decisions and actions in every market where we operate. All employees who engage in or support commercial activities or product development, including those who interact with healthcare professionals or government officials, are annually assigned mandatory HCC training, which incorporates topics such as anti-bribery and anti-corruption. HCC training courses are available in 23 languages.

Maintaining robust compliance programs: Our global compliance programs serve as a roadmap for leadership, accountability and ethical business conduct with a focus on patients, physicians, employees, communities and shareholders, as defined in [Our Credo](#). Our global compliance program is based on the following fundamental elements:

- Well-defined and clearly communicated standards of compliance;
- Robust compliance governance framework, including autonomy and resourcing;
- Proactive risk management;
- Continuous compliance monitoring through internal assessments and audits;
- Effective and timely response to detected deviations from compliance standards, including developing and following through on corrective action plans, with disciplinary actions when appropriate;
- Open lines of communication with a clear policy prohibiting retaliation; and
- Ongoing training and education.

Dedicated focus on anti-corruption: Specifically, as part of our overall ethical and compliant approach, Johnson & Johnson takes a strong stance against corruption and bribery consistent with the anti-bribery laws

that exist in many countries around the world. In our policies, we comprehensively cover our anti-corruption and anti-bribery position, which follows the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and other applicable local anti-bribery and anti-corruption laws and regulations.

Our HCC Anti-Corruption Program Office (ACPO) takes a proactive approach in prevention, detection and remediation practices through advanced data analytics and risk management processes, due diligence process management and unplanned deviation investigations. ACPO works closely with other compliance teams and other staff functions to look across the external landscape and the Enterprise to protect our business from corruption. See also our [Position on Anti-Corruption](#).

Meeting or exceeding legal compliance requirements: Our compliance guidelines and policies meet or exceed legal and regulatory requirements in every jurisdiction where we operate. This includes industry standards and local codes of conduct, such as:

- Advanced Medical Technology Association (AdvaMed);
- Asia Pacific Medical Technology Association (APACMed);
- Pharmaceutical Research and Manufacturers of America (PhRMA);
- European Federation of Pharmaceutical Industries and Associations (EFPIA); and
- The European medical technology trade association, MedTech Europe.

In addition, the Johnson & Johnson operating companies actively participate in the work of industry associations and help develop industry codes for ethical and compliant marketing and selling of products.

Enforcing ethics and compliance throughout our supply chain: We view our extended supply chain as an extension of our own business and expect all suppliers to adhere to the same level of integrity and compliance requirements to which we hold our own operations accountable. We make all reasonable efforts to ensure our suppliers know what is expected of them and have systems in place to ensure compliance. See our [Position on Responsible Supply Base](#) and also our [Responsibility Standards for Suppliers](#).

Continuous monitoring, risk assessments and improvement: With the complexity of the healthcare environment continuing to evolve, our global compliance program is focused on strengthening and optimizing core programs and processes; elevating our integrated approach to data, metrics and analytics; and leveraging the power of technology for all components of our global compliance program. Each year we conduct targeted risk-based risk assessments of our operations to identify areas where additional attention or modification to our programs may be required. Ongoing improvements are in place to keep our compliance programs efficient, effective and current with changes in the business environment, our diverse stakeholders' expectations, and the demands of laws, regulations and industry standards.

Providing a mechanism for reporting suspected ethical or compliance violations: 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 the CBC, other Company policies, or the applicable laws and regulations in the countries of operation. The Credo Hotline is available 24 hours a day, 7 days a week and in 23 languages. The concerns can be filed both electronically on www.credohotline.com or by calling a toll-free number from any international location.

Addressing suspected violations or breaches of our CBC or HCC policies: Potential violations arising under our policies or laws and regulations are reported internally to senior management and, as appropriate, to the Johnson & Johnson Executive Committee, the Board of Directors, relevant Committees of the Board, and internal and external auditors. The following are outlined in our 10-Q and 10-K filings: when public disclosure criteria are met, anticompetitive behavior, antitrust claims, product liability claims, and lawsuits that

cover consumer and patient health and safety, labeling or marketing, as well as corrective actions and resulting fines and penalties.

Application

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

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