

Position on Innovation

Background

In our dynamic world, change is constant, frequent and all-embracing. Changing healthcare needs are influenced by many factors, including population increase and demographics, economic stability, globalization and urbanization, healthcare infrastructures and public policy, changing lifestyle habits and awareness of healthcare issues. Similarly, the tools available to address healthcare needs are also rapidly changing, with technological advancements, global connectivity, use of Big Data, robotics, and analytical and diagnostic tools. Similarly, there is a growing understanding of the connection between the natural environment and its impact on health conditions and needs. All of this means that new medical conditions and diseases continue to emerge, and it is therefore incumbent upon healthcare companies—with their knowledge, expertise and capabilities—to help solve critical healthcare issues. They must remain at the forefront of developments in healthcare and pursue innovation to meet unmet and changing healthcare needs, which represent a significant barrier to human progress and long-term prosperity. In doing so, they must advance innovation that addresses the needs of all, in an equitable manner, given the healthcare disparities that exist around the world.

Relevance

At Johnson & Johnson, we believe that innovation is at the heart of human progress. We view innovation as a critical engine of our long-term business success and the foundation of our positive contribution to an equitable and inclusive society and sustainable development. We rely on the transformative power of scientific knowledge, technology and extensive collaboration to uncover innovative solutions to some of the biggest health challenges of our time across the full spectrum of healthcare. As the largest and most broadly based healthcare company in the world, Johnson & Johnson is uniquely positioned to leverage its scale, expertise and multiple core capabilities to deliver innovative medicines, consumer health products and medical devices that contribute to improving the trajectory of health for all.

Guiding Principles

As stated in [Our Credo](#): “We believe our first responsibility is to the patients, doctors and nurses, to mothers and fathers and all others who use our products and services..... We must experiment with new ideas. Research must be carried on, innovative programs developed, investments made for the future and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched.” These words continue to inspire us to deliver groundbreaking innovation to meet many unmet healthcare needs, including those in resource-limited settings.

As part of a global community aspiring to achieve global prosperity, we endeavor always to advance the [UN Sustainable Development Goals](#), in particular SDG #3: “Ensure healthy lives and promote well-being for all at all ages.” Our global innovation programs align closely with SDG #3 targets and also support other SDGs that enable our progress; these include SDG #17 for advancing partnerships and SDG #10 for reducing inequalities.

Our Position

Johnson & Johnson’s vision is to positively impact human health through innovation. We have a legacy of more than 130 years of impacting human health through scientific research and innovation. We pursue breakthroughs in science and technology in our own laboratories and through our powerful network of scientists and entrepreneurs all over the world. We combine a strong internal focus on R&D and strategic value-building, external partnerships with greatest potential to improve the lives of patients and consumers, and also to contribute to our business.

Culture of Innovation: Our innovation culture permeates Johnson & Johnson within a transformational ecosystem, uniting the ingenuity of our people with the innovation found in our external networks. The practical ways we advance innovation across Johnson & Johnson include:

- Hire top scientists, medical and technology experts to advance the Johnson & Johnson product pipeline, and to harness and scale breakthroughs in science and technology.
- Seek to leverage our expertise across our three business segments in a holistic approach to address pressing healthcare challenges. We achieve this by establishing hubs or centers of excellence to harness resources in cross-Company innovation and deliver optimum solutions. Similarly, we address certain developments, such as the application of digital technology, from an enterprise perspective as well as within each business segment.
- Through our four global Johnson & Johnson Innovation Centers, identify the best external innovation to partner with and focus on accessing innovation from all sources—from inception to early stages of development—including startups, entrepreneurs, biotech leaders and other innovators.
- Via JLABS, Johnson & Johnson Innovation provides a global network of open innovation health sciences incubators, giving life science startup companies access to the tools they need to take their breakthrough ideas from concept to commercialization.
- Maintaining Johnson & Johnson Innovation—JJDC, Inc. (JJDC), the longest-established corporate venture fund in the life sciences industry, and making strategic venture and equity investments in life science innovations for more than four decades.
- Engaging in business development activities for our three business segments to form active partnerships where Johnson & Johnson can bring its breadth, scale and experience to bear in creating long and valuable relationships.

See the following overview, showing how each arm of our comprehensive innovation ecosystem contributes to our culture and practice of innovation:



Pharmaceutical



Medical Devices



Consumer Health

Research & Development: We invest significant R&D resources in each of our three business segments:

- **Pharmaceutical R&D** is focused in areas of medicine where the science is compelling and where we have the greatest opportunity to solve the most urgent unmet medical needs of our time. These include the areas of cardiovascular, metabolic and retinal disease; infectious diseases and vaccines; autoimmune and inflammatory disease; neuroscience; oncology; and pulmonary hypertension. We apply our expertise in traditional and non-traditional modalities, from small molecules and monoclonal antibodies to cell therapy, siRNA therapeutics and gene therapy. We study biological pathways that underpin more than one disease to help speed discovery and development of new therapies for multiple conditions. We are

deeply invested in data science, driving it into all aspects of our discovery and development to choose promising targets, to invent molecules for development more efficiently, to develop them more insightfully and quickly, and to launch them with rich information sets. For more information, see [Janssen Research & Development](#).

- **Medical Devices R&D:** At the Johnson & Johnson Medical Devices Companies and Johnson & Johnson Vision, we are building a better health experience and enabling people everywhere to live life more fully. We combine our breadth and depth across surgical and orthopaedic technologies, eye health, and interventional solutions with the scale and expertise of Johnson & Johnson to meet the changing needs of patients, health providers and our world. As one of the most comprehensive medical devices businesses in the world, the Company creates breakthrough innovations, advanced medical technologies and patient-centered solutions that enable better health outcomes and improve the health experience for patients, physicians, health systems and others along the spectrum of care. For more information see [Johnson & Johnson Medical Devices Companies](#) and [Johnson & Johnson Vision](#).
- **Consumer Health R&D:** Johnson & Johnson Consumer Health believes in caring for people around the world by anticipating their needs and creating solutions and experiences that help them and those they care for live healthy, vibrant lives. Johnson & Johnson Consumer Health, known for its iconic brands, is one of the largest and most scientifically driven consumer businesses in the world and enjoys strong endorsements by healthcare professionals. Our Consumer Health R&D capabilities are focused on providing scientifically and clinically proven solutions for consumer needs in Consumer Healthcare (pain, cough/cold, allergy, digestive health, smoking cessation, oral care, wound care, feminine care) and in Skin Care (baby, face, sun, body, hair) applications.

Innovation for Global Public Health: Our dedicated [Global Public Health \(GPH\) organization](#) takes on the toughest challenges to advance healthcare for the world's most underserved populations. While the world has made significant progress in providing healthcare, major gaps remain, and bolder, smarter approaches are needed to overcome inequity in access to care. Through our GPH organization that includes R&D, global access strategies and programs, and local operations, we support innovation across the continuum of care—from the lab to the last mile—pioneering and sustainably delivering meaningful and transformational products in areas where we believe we can make a profound difference: from expanding access to care in HIV, tuberculosis and global mental health to addressing and preventing future pandemics. Recognizing we can't do this alone, we seek to bring together public and private resources while utilizing and leveraging the resources and expertise of Johnson & Johnson's innovation ecosystem to deliver targeted innovation addressing critical global public health challenges.

Other Cross-Business Segment Focus Areas for Innovation: In addition to pursuing breakthrough science and innovation in our three business segments and our GPH organization, we are advancing initiatives and programs in other cross-business segment areas that include behavioral science, immunosciences, health technology, lung cancer, microbiome and predictive analytics.

Innovation Governance: All Johnson & Johnson R&D and our global innovation networks are led and overseen by our Chief Scientific Officer, who is also the Vice Chair of Johnson & Johnson's Executive Committee. All distinct innovation channels are led by senior leaders who are supported by designated teams of scientists, researchers, data analysts, engineers and healthcare professionals. When appropriate, we form cross-functional, cross-business segments or cross-region teams to support certain types of innovation, and partner extensively outside Johnson & Johnson to leverage the best science, wherever it resides.

Application

This position is relevant for all business segments and Companies in the Johnson & Johnson Family of Companies. We provide updates relating to innovation in our annual [Health for Humanity Report](#).

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