

Position on Stakeholder Engagement

Background

Stakeholder engagement refers to the way a company interacts with those who influence and are influenced by its business activities. Such targeted interaction is necessary for a business to be fully informed of the way its activities are making a difference on individuals, communities and the planet, so that it may address the needs and concerns arising from stakeholder feedback. By being attentive and responsive to stakeholders, a business can gain new insight that may inform business planning, shape its strategies to incorporate stakeholder needs where possible, and build trust with stakeholders through positive and interactive relationships.

Relevance

As the largest and most broadly based healthcare company in the world, Johnson & Johnson takes an approach to sustainable business that includes engaging our stakeholders on a global, regional and local level to understand their expectations of Johnson & Johnson and the different ways our activities impact them. Ongoing and proactive engagement with stakeholders makes our Company stronger and better informed. It helps us gain valuable insight into our stakeholders' perspectives and the topics that matter to them, and better enables us to develop products and services that are responsive to their needs. This engagement also allows us to share information about our Company's strategy, practices and performance.

Guiding Principles

[Our Credo](#) states: "We are responsible to the communities in which we live and work and to the world community as well." In its entirety, Our Credo expresses our commitment to all the stakeholders of our Company and guides us in the ways in which we must address their needs, concerns and expectations.

Our Position

The deep and longstanding relationships we cultivate with our stakeholders are vital to both our Credo-driven business strategies and our sustainability approach. Our practice of broad and consistent stakeholder engagement is essential to building successful business plans and achieving our goal to deliver the products and services that meet real patient and consumer needs, while creating long-term value for our stakeholders and society in general. Our approach includes:

Engaging with a broad range of stakeholder groups: In a global business such as Johnson & Johnson, with sales, operations, patients, consumers and customers in most countries in the world, and physical operations in tens of countries, our business contribution and impact has a broad reach. We therefore target to engage inclusively with stakeholders representing different stakeholder groups at global, regional and local

levels, while focusing our most frequent interactions with those groups that are most extensively affected by our business. For a list of the stakeholder groups we most regularly interact with, see [Appendix 1](#).

Engaging with stakeholders in different ways: We recognize that different stakeholder groups operate in different ways and have different information needs and expectations of our Company. We therefore maintain a wide variety of engagement channels and platforms to meet stakeholder preferences by group and by geography. Similarly, we engage at different levels in our own organization, so that we can connect the most appropriate Johnson & Johnson leaders, managers and teams to understand and address stakeholder needs and concerns. While this decentralized approach has a goal of best engagement outcomes for both our stakeholders and our business, we deploy a customer relationship management system across Johnson & Johnson to support consistency and visibility of engagement initiatives.

Integrating stakeholder engagement outcomes: We highly value the information and insights we gain from stakeholder engagement at all levels of the Company and communicate engagement outcomes through our managers and, as appropriate, to senior management—including the Johnson & Johnson Executive Committee and the Board of Directors—to help them address potential risks and opportunities, and make informed business decisions.

Ongoing engagement with industry groups and sustainability organizations: As part of our inclusive approach, Johnson & Johnson participates in a wide range of industry associations and collaborative initiatives that help drive sustainability practice within our Company and across our industry. See [Appendix 2](#) for a list of organizations with which we participate at global and national levels (correct at the time of the last update of this position, noted below).

Targeted engagement to define our sustainability priority topics: Periodically, in addition to our stakeholder interactions in the regular course of the business, we specifically request stakeholder input to identify and prioritize the sustainability topics that they consider to be most important for Johnson & Johnson. Our Priority Topic Assessment (PTA) is conducted every two to three years, with outreach to a range of internal and external stakeholders. The aggregation of stakeholder feedback, weighted by stakeholder groups, feeds into our business planning and sustainability strategy development. For the results of our most recent PTA, see our [2019 Priority Topics Assessment](#).

Engagement on sustainability reporting: In order to support the most effective disclosure to meet stakeholder needs, we periodically engage with external consultants and sustainability reporting specialists and invite suggestions for improving our disclosure. Similarly, our Executive Committee reviews our sustainability report annually. At the start of each reporting cycle, we review feedback received and adjust our disclosure where possible.

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 stakeholder engagement in our annual [Health for Humanity Report](#).

Last Updated: June 2020

Appendix 1

The following table shows our key stakeholder groups and the ways we regularly interact with them in the course of regular business through our three business segments and corporate functions. For details of how we respond to stakeholder concerns and expectations, please see our annual [Health for Humanity Report](#).

Advocacy Groups / Trade Associations	Organizational memberships, direct engagement, sponsorships, educational programs, conferences, research collaboration.	Access to and affordability of medicines, access to clinical trials for patients, product innovation to meet patient needs, information and support for patients and consumers.
Patients and Consumers	Dedicated Company Credo Hotline, consumer call centers and product label information, Johnson & Johnson website, brand websites, social media, focus groups, clinical trials.	Product quality, safety and reliability, access to our products, transparency of materials and ingredients in our products, data protection and privacy, response to queries.
Customers	Direct contact through sales, customer relationship management, customer call centers, customer meetings, industry trade meetings.	Product quality and availability, sales and distribution reliability, pricing, responsible business practices, waste management.
Employees	Our Credo and Our Voice surveys, intranet, newsletters, Company webcasts, town hall meetings, quarterly business updates, training, Company Credo Hotline.	Company mission, opportunities to develop and learn new skills, information about business strategy and programs, diversity and inclusion, labor rights, data privacy, health and safety, compensation and benefits.
Healthcare Providers	Sales representatives, continuing medical education liaisons, education initiatives, clinical research, support and education programs for caregivers.	Commitment to healthcare, product quality and safety, access and affordability of products, innovation, trustworthy business practices, education and information about products.
Local Communities	Collaboration and partnerships, philanthropy, employee volunteering, sponsorships.	Environmental stewardship, green building, site expansions or closures, local employment, transportation, emergency planning, local community support, volunteering in the community.
Government / Policy Makers	Governmental affairs liaison, direct engagement, Johnson & Johnson Political Action Committee, meetings, advocacy.	Compliance, ethical business practices, innovation in healthcare, pricing, access, policy positions,

		ethical marketing practices, transparency.
Investors	Annual Report, Health for Humanity Report, annual shareholders meeting, annual Health for Humanity webcast, investor releases, quarterly earnings, investor meetings and conferences.	Economic performance and shareholder return, corporate governance, responsible investment, operational excellence, human rights, ethical business practices, product quality, transparency and reporting.
Non-Governmental Organizations (NGOs)	Direct engagement, collaborative partnerships, sponsorships, organizational memberships, conferences, social media.	Diverse organizations with interests across all areas of our business.
Suppliers	Direct engagement, collaborative partnerships, Responsibility Standards for Suppliers, supplier scorecards, training and workshops, surveys, assessments, audits.	Fair and inclusive opportunities for business, ethical supplier relationships, clear demands and requirements of suppliers, payment terms and on-time payment, opportunities to grow business, supplier diversity.

Appendix 2

We participate in many advocacy organizations and industry associations at the local, regional or global levels on topics of interest to Johnson & Johnson and to our stakeholders in order to advance our ambition to change the trajectory of health for humanity. Of these, the list below represents a small selection of associations and organizations we engage with at a strategic level:

- Advanced Medical Technology Association
- Asia Pacific Medical Technology Association
- Association for the Advancement of Medical Instrumentation
- Biotechnology Industry Organization
- BIO Ventures for Global Health
- Business Roundtable
- Chief Executives for Corporate Purpose (CECP) Strategic Investor Initiative
- Climate Leadership Council
- Closed Loop Fund
- Consumer Goods Forum
- Consumer Healthcare Products Association
- Corporate Eco Forum
- Cosmetics Europe
- Council of Supply Chain Manufacturing Professionals
- Embankment Project for Inclusive Capitalism
- European Federation of Pharmaceutical Industries and Associations
- GS1
- Healthcare Businesswomen’s Association
- Healthcare Leadership Council
- MedTech Europe
- National Health Council (U.S.)
- Personal Care Products Council
- Pharmaceutical Research and Manufacturers of America
- Pharmaceutical Supply Chain Initiative

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- The Conference Board
- The Sustainability Consortium
- United Nations Global Compact
- United States Agency for International Development
- U.S. Chamber of Commerce