Position on Sustainability Governance

Background
Sustainability in business refers 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. Sustainability is used as an overarching term that includes the similar concepts of corporate citizenship, social impact or value, corporate social responsibility or environment, social and governance (ESG). In today’s business landscape, sustainability is 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, sustainability addresses all aspects of a business’s activities, involving all levels of leadership and staff, and all business functions, making the proactive management of sustainability an important capability as it reflects the cross-functional nature of a business and its geographic breadth. In order to drive sustainability 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
As the largest and most diversified healthcare company in the world, Johnson & Johnson plays a leading role in advancing sustainable business. Sustainability both protects our business from risks—such as climate change risk, reputational risk and more—and furnishes us with opportunities to engage more deeply with those impacted by our business and, therefore, understand how we may better meet their expectations and needs. In this way, we are better equipped to allocate resources to deliver the health solutions the world needs most. Given our large size and geographical breadth, it is imperative that we take a proactive leadership approach to sustainability and maintain a supportive governance structure to keep us on track.

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
As the world’s largest and most broadly based healthcare company, Johnson & Johnson has a unique ability to apply its expertise and partnering power to solve some of the most difficult global health challenges. We focus our sustainability efforts where we believe our Company can achieve the greatest impact. These efforts
are grounded in Our Credo values, informed by our Company’s purpose to change the trajectory of health for humanity and based on our sustainability priorities identified through our Priority Topics Assessment. In those areas where we believe we can achieve the greatest impact we set goals and annually report our progress with independent assurance validation.

Our Health for Humanity sustainability approach means generating social, environmental and economic value for all of Our Credo stakeholders: patients, consumers, healthcare providers and all others we serve, employees, the communities in which we live and work, business partners, investors and society as a whole. The governance of sustainability at Johnson & Johnson engages the highest levels of our Company’s leadership within the Enterprise and across all three business segments (Consumer Health, Medical Devices and Pharmaceutical), and aims to reach every employee around the world. The key levels of governance include:

**Johnson & Johnson Board of Directors:** The Board has overall accountability for our sustainability strategy, programs and practices through the oversight of a Board Committee: The Science, Technology & Sustainability Committee (STSC). The STSC reviews annual progress against our Health for Humanity strategy and goals, initiatives being advanced by the Enterprise Governance Council, and our overall citizenship and sustainability efforts.

**Johnson & Johnson Executive Committee (EC):** Individual members of the EC are directly accountable for the creation of their respective sustainability strategies and delivering against established commitments. The EC annually reviews progress against our Health for Humanity strategy and goals with the full EC reviewing the annual Health for Humanity Report prior to publication.

**Enterprise ESG Program Office:** The Enterprise ESG Program Office 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. In partnership with all other divisions in the Company, the Enterprise ESG Program Office connects and aligns various activities that contribute to advancing our sustainability agenda.

**Enterprise Governance Council (EGC):** The EGC is a senior forum created to advance the management of sustainability topics, and is comprised of senior leaders who represent our three business segments and our global enterprise functions. The EGC operates under a formalized process and protocols, including a quarterly assessment of our sustainability (or ESG) priority topics and ongoing review and assessment. This process is informed by our Enterprise Risk Management Framework, which assists the EGC, management teams and the Board of Directors in identifying potential business risks.

ESG priority topics are integrated into the ongoing standardized approach to risk assessment across the Enterprise so that we can prepare a clear and consistent view of existing and emerging risks, identify controls, and develop mitigation plans. The outcomes of these risk assessments are reflected in the progress updates shared as part of the ESG priority topics scorecard reviews by the EGC.

The EGC also reviews and supports progress against our Health for Humanity Goals. The EGC may establish working groups from time to time in order to review and refresh our approach on certain priority topics.

The Enterprise Human Rights Governance Council that reports directly to the EGC is a team of experts representing main enterprise functions responsible for various aspects of human rights due diligence and management across our own operations and the supply base, including Supply Chain, Human Resources, Procurement, Law Department, Enterprise ESG Program Office, Government Affairs & Policy, and Environmental Sustainability.
For more information, please see our latest Priority Topics Assessment and our Enterprise Risk Management Framework.

**Thousands of employees:** In addition to those across the Enterprise with formal job responsibilities related to sustainability, thousands of employees around the globe support the implementation of sustainability 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, where relevant, relating to our sustainability governance in our annual Health for Humanity Report.

_Last Updated: May 2021_