

UK Gender Pay Gap Report 2020

Johnson & Johnson



A message from Zakaa Farhat

Just over a year into the COVID-19 crisis, the world we live and operate in has dramatically changed. The pandemic has impacted everyone, and it has exposed deeply rooted health and societal disparities.

As a leader in global health, Johnson & Johnson has remained on the frontlines of this crisis, bringing our full resources and minds to combat it.

Rooted in Our Credo, our response to the evolving pandemic continues to focus not only on addressing critical healthcare needs around the world, but also on care for employees, their families and communities through inclusive innovation, policies and benefits to support emotional, mental and physical wellbeing.

And while the data published in this, our fourth annual UK gender pay gap report, was captured at the start of the pandemic in April 2020, we strongly believe that our ability to be flexible and adapt to the current environment reflects our commitment to the needs of our employees, as well as the customers and patients we serve. We remain passionate about promoting an equitable future for all and, in this report, you will find our continued efforts to support women and a diverse workforce.

A handwritten signature in black ink, appearing to read 'Zakaa Farhat'.

Zakaa Farhat
Head of HR for Northern Europe (UK, Ireland & Nordics)

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Our commitment to Diversity, Equity & Inclusion

Our commitment to Diversity, Equity & Inclusion (DEI) remains intrinsic to who we are and how we operate.

We are in the second year of our You Belong: Diversity, Equity & Inclusion Impact Review and D&I Honors program, which recognizes and celebrates employees who are harnessing DEI to advance their business strategies.

Putting employee wellbeing first

In response to COVID-19, we made it a priority to create and implement programs which would allow us to continue supporting our diverse and inclusive workforce throughout the pandemic:

In the immediate wake of the crisis, we provided 100% of base salary for employees unable to work remotely, to give them time to adapt to demands related to the pandemic. We also launched our own enterprise COVID-19 emergency hotline offering employees one-to-one discussions with clinicians, along with a range of webinars designed to help everyone stay healthy.

We put better health in our employees' hands, with an ecosystem of digital health resources to track and manage their personal journey. To support this further, we expanded our Global Exercise Reimbursement to include virtual wellbeing subscriptions and in-home exercise equipment.



Named in the NAFE Top Companies for Executive Women in 2019 and 2020



Johnson & Johnson makes DiversityInc Hall of Fame in 2019 and 2020



Named in Equileap's 2019 Gender Equality Global Report and Top 100 Companies



Our commitment to Diversity, Equity & Inclusion

In the UK we saw 41% of eligible employees register for our wellbeing app, designed to help employees stay physically energized and emotionally connected. With more of our employees than ever working from home in 2020, we trained two thirds of all UK employees on the principles of energy management; providing employees with education to build their resilience and manage their physical, emotional and mental wellbeing.

Finally, we gave our employees extra time off to recharge by closing our global offices for two days. Leaning into our Flexible Working philosophy, we improved flexibility in scheduling, with compressed and variable schedules, and promoting part-time arrangements for employees whose circumstances have changed. Whether colleagues continue to work from home under a flexible work arrangement, hybrid work model or back in the office when it is appropriate to do so, we believe this approach supports a diverse and multi-generational workforce.

Gender Diversity

Of course, gender diversity continues to play a key part in our DEI strategy. Women are important leaders and contributors for our businesses.

In 2019, women represented 47.8% of our worldwide workforce—including 34.2% of VPs and above as well as 46.2% of our Manager and Director population. In addition, this last year women represented more than 51.4% of our new hires.

And while we are proud of this progress, we continue to lean into our programs to ensure we are driving long-lasting change. Last year we celebrated the 25th anniversary of our Women's Leadership & Inclusion (WLI) program and marked this key milestone with a pledge for the next quarter of a century to consistently support the advancement of **all women, at all levels, all around the world**. To date, nearly 4,300 employees across all regions and segments have signed this pledge.

Alexandra Moore
WLI Leader



I am so proud to be part of the Johnson & Johnson WLI group. Celebrating our 25th anniversary this year speaks volumes about the long-reaching commitment to DEI within J&J.

Here in the UK our group aims to create a culture that attracts the best female talent at all levels and empowers them to achieve their full potential. This year has been difficult for all of us, but we have been able to deliver several inspiring initiatives through virtual platforms including mentoring circles, WiSTEM2D projects educating students and encouraging young women to pursue careers in STEM.

Our DEI Council has also been central to what we do – fostering a rich culture of inclusion and building a diverse workforce that represents the communities we serve, and makes us a stronger company as a result. We have made fantastic progress but there is always more that can be done, and I'm excited to continue to work with the DEI Council in 2021!



The gender pay gap and Johnson & Johnson

Understanding the numbers

In line with Our Credo values, we continue to welcome the UK gender pay gap reporting requirement as encouraging discussion about the progress of women in UK businesses.

The UK reporting process reviews figures based on the UK Government requirements, indicating where progress has been made over the past year, and where there is more to be done. It is worth noting however that the gender pay gap differs from equal pay.

What is the difference between the gender pay gap and equal pay?

The gender pay gap compares pay for all employees in a business, without considering differences in job function, job level, qualifications and experience. By contrast, an equal pay analysis compares the pay of employees performing the same or similar jobs.

What is the difference between median and mean figures?

The median gender pay gap compares the middle point in a number set. So, if you were to look at 100 men and 100 women in our business, this compares the pay of the 50th person in each group.

The mean gender pay gap compares the average salary between men and women. Our gender pay gap calculations are based on the UK Government's requirement that companies publish an "unadjusted gap" based on an average across all employees regardless of roles.

While we recognise that we still have work to do, the impact of adjusting even for job level alone provides insight for our understanding of the published gender pay gap figures.

J&J gender pay gap analysis

This report reflects gender pay gap data for Johnson & Johnson's five legal entities in the UK with more than 250 employees. These companies are: DePuy International Ltd, Janssen Cilag Ltd, Johnson & Johnson Consumer Services EMEA Ltd, Johnson & Johnson Ltd, and Johnson & Johnson Medical Ltd.

Across our five reporting entities, the mean gender pay gap ranged from 8.7% to 20.9% in 2020, while the bonus pay gap ranged from 24.7% to 57.7%.

We were pleased to see that our combined gender pay gap across our five reporting entities decreased over the last year, from 14.9% in 2019 to 13.76% in 2020, which is below the UK national average.

In 2020, our combined gender pay gap dropped to

▼
13.76%



The gender pay gap and Johnson & Johnson

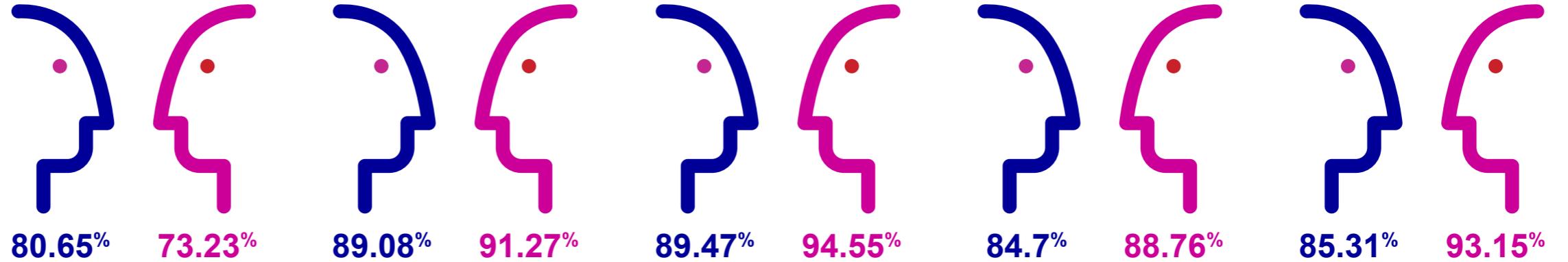
Breaking down our results

We have five legal entities that are required to report.

DePuy International LTD		Janssen Cilag LTD		Johnson & Johnson Consumer Services EMEA, LTD		Johnson & Johnson Limited		Johnson & Johnson Medical LTD											
Mean gender pay gap	10.56%	Median gender pay gap	9.06%	Mean gender pay gap	13.87%	Median gender pay gap	9.29%	Mean gender pay gap	8.69%	Median gender pay gap	-1.59%	Mean gender pay gap	20.91%	Median gender pay gap	19.93%	Mean gender pay gap	11.42%	Median gender pay gap	11.26%
Mean bonus pay gap	24.68%	Median bonus pay gap	18.73%	Mean bonus pay gap	39.69%	Median bonus pay gap	20.06%	Mean bonus pay gap	31.16%	Median bonus pay gap	28.21%	Mean bonus pay gap	57.71%	Median bonus pay gap	41.74%	Mean bonus pay gap	26.11%	Median bonus pay gap	36.29%

Proportion of women and men paid a bonus

■ Women
■ Men



Population by pay quartiles (%)

Quartile	DePuy International LTD	Janssen Cilag LTD	Johnson & Johnson Consumer Services EMEA, LTD	Johnson & Johnson Limited	Johnson & Johnson Medical LTD
Upper	36.6	51.4	49.2	58.7	43.1
Upper middle	63.4	48.6	50.8	41.3	56.9
Lower middle	37.5	59.3	65.6	57.8	49.2
Lower	62.5	40.7	34.4	42.2	50.8
Lower middle	32.1	62.0	49.2	69.8	50.2
Lower	67.9	38.0	50.8	30.2	49.8
Lower	54.5	74.4	64.1	73.4	61.6
Upper	45.5	25.6	35.9	26.6	38.4





The gender pay gap and Johnson & Johnson

Why is there a gender pay gap at Johnson & Johnson?

Reviewing our own data, we have identified three key points that explain why there is a gender pay gap and bonus pay gap. While these reflect historic trends that aren't unique to Johnson & Johnson, we continue to strive to address these through our long-term strategy.

- **More men in senior positions, with a longer tenure** – We face a challenge with the number of women compared to men in senior roles. This remains a central reason for the reported gender pay gap in our UK businesses.
- **Challenge with Science, Technology, Engineering and Math (STEM) recruitment** – Engaging women into STEM roles continues to be a challenge for Johnson & Johnson, as seen in our industry, as well as more broadly across the UK.

- A third factor impacts our bonus pay gap figures. As of April 2020, we had 202 women in part-time working positions across our entities, compared to 12 men in part-time roles. The reported bonus pay gap compares bonuses for full-time and part-time employees without taking into account this difference. While the number of women in part-time positions impacts our bonus gap figures, the availability of innovative benefits, including part-time and other flexible work arrangements, is an important part of our talent strategy.

This has become particularly important during this year's COVID-19 pandemic, not only for our female employees but for our entire workforce. We continually strive to enable our employees and their families to receive the support they need.



Our strategy: A multi-dimensional approach to fostering an inclusive culture for all people

Our three-pronged approach, built on feedback from our colleagues through our biannual “Our Voice Survey,” continues to drive forward our commitment to reaching gender parity.

- 1** Ensure personal and career development is supported at all levels
- 2** Do our best in making our businesses attractive and inclusive
- 3** Increase talent pool of women at the entry level

Jakob Sveen
General Manager UK & Ireland,
Johnson & Johnson Vision and UK
DEI Council Lead



PP Our mission is to make diversity and inclusion our way of doing business.

I was fortunate to work closely with our UK DEI Council last year as we reinforced our support in important areas like mental health and wellbeing, through to encouraging dialogue around racial and social injustice. It was a challenging year on many fronts, but through it all we have seen the galvanising impact that these open and often vulnerable conversations have had with our employees. As a DEI Council, we have an ambition to build on the learnings and momentum from the past year, and ensure that we make continued progress to embed DEI into all areas of our business.



Our strategy: A multi-dimensional approach to fostering an inclusive culture for all people

1 Ensure personal and career development is supported at all levels

We know that nurturing ground-breaking leaders to transform the future of healthcare involves providing support at all stages of a career. This is why we encourage inclusive leadership behaviours among employees – whatever their level – to establish a deep sense of belonging and engagement across the business. To date, more than 95% of global colleagues have completed our Unconscious Bias Training. To continue supporting our people leaders with these issues, we are also introducing Conscious Inclusion Training for all line managers. Launching in 2021, this training aims to recognise and address the impact of behaviours at J&J that limit inclusion and inhibit employees' ability to thrive.

Accelerating the development of diverse employees forms a key part of our strategy. To this end, we have developed and continue to evolve a number of programs and our Enterprise Sponsorship Program for high-performing diverse managers, for example, has an overall retention rate of more than 96%.

In addition, since re-launching our global ASCEND program in 2018 — designed to accelerate the growth of mid-level diverse talent into more senior roles — 260 female leaders have participated with an additional 90 planned for 2021. Over 75% of graduates believe the program has benefitted them in pursuing a more senior leadership role. We are also proud to have trained more than 100,000 employees globally in our Energy for Performance in Life® program, designed to increase employee performance and retention.



Nisha Johnson
General Manager, Ethicon, Inc.

“Since joining Johnson & Johnson 21 years ago, it has been a privilege to grow and thrive within a business where the values match my own so closely.”

I completed the ASCEND program in 2010 which, as a leadership development opportunity aimed specifically at accelerating women, was a unique opportunity to develop my skills – all while feeling valued and thoroughly enjoying my work every day. The leaders I have worked with consistently listened to my opinions on my career development and encouraged me to confidently take the next step in my journey.”

Our strategy: A multi-dimensional approach to fostering an inclusive culture for all people

2 Do our best in making our businesses attractive and inclusive

Our goal for 2020 and beyond is to lead by example and cultivate the world's healthiest workforce, mentally and physically. Despite the outbreak of the pandemic, we have continued to make progress on this goal.

We set a Guinness World Record with our Global Virtual Mindfulness Relay, as nearly 13,000 colleagues from across 79 countries—or 10% of our global organization—took a moment to unplug, increase self-awareness and learn new strategies to help manage stress. With 40 live Health & Wellbeing Webinars in 12 languages and a range of on-demand content, we learned more about mental health conditions and how to spot the signs, both in ourselves and among those around us, enabling us to take appropriate action.

Encouraging physical fitness as a key to wellbeing is also an integral part of our employee care programmes. In the wake of COVID-19 we expanded our exercise and wellbeing offerings.

As COVID-19 continues to change our spending and saving habits, we launched a new Financial Wellness benefit for employees in our UK businesses. This offering – a combination of digital tools and more traditional financial education through webinars – has been designed to reduce financial stress and support overall wellness.

In addition to the digital wellbeing support we have offered this year, we provide long-term innovative benefits to enable our employees and their families to receive the support they need to maintain physical, mental and financial wellbeing. We offer a global standard for Parental Leave, surrogacy and fertility support, adoption support,

support for children with special needs and childcare. We are very proud to have our assisted reproduction program, supporting both men and women with IVF in the UK. Our private healthcare scheme covers assisted fertility diagnostic tests, treatments and specialist consultations.

As well as this, in 2020 we ran interactive Menopause Awareness workshops in the UK, aimed at supporting women to keep thriving in the workplace through this life stage and reducing the stigma around the topic.

We believe these innovative benefits, alongside our relentless commitment to employee wellbeing helps us to attract and retain diverse talent across our business. This is reflected in our UK retention rate of over 90%, including 84% for parents returning to work in 2020 after parental or adoption leave.



Our strategy: A multi-dimensional approach to fostering an inclusive culture for all people

3 Increase talent pool of women at the entry level

Building an inclusive workforce lies at the heart of our recruitment strategy, and this year we continued our work to accelerate diverse talent representation. We created a new Diverse Workforce Solutions Team to reimagine our HR processes, using the latest technology to optimize inclusive hiring, developing and retaining colleagues to reflect the marketplace. We partnered with recruitment bodies such as the BYP Network, an online recruitment site specialising in finding career opportunities for black professionals, to ensure our open positions are made more accessible to all applicants.

We also focus on building a diverse pipeline of talent, including our work to encourage girls and women in science careers through our WiSTEM2D program (launched in 2015) and our Bridge to Employment (BTE) program, which readies secondary school students

in disadvantaged communities for university. In 2020, Johnson & Johnson employees gave over 640 hours, supporting 55 students through the BTE program. Our Re-Ignite program continues this work, encouraging science, technology, engineering and mathematics (STEM) professionals to return to the corporate world after an extended break from employment.

Despite a difficult and challenging 2020, we have been delighted to see our programs continue to inspire women towards STEM subjects and careers. In the UK, nearly 8,000 young women have benefited from the program over the past year. This has been through sponsorship of national partnerships, including Girl Guiding UK and Junior Achievement. In 2019, nearly 15,000 girls in the UK were helped through the WiSTEM2D program and we hope to return to these numbers in 2021 as we shift to delivering content virtually.



Named in the 2019 and 2020 Working Mother Best Companies for Multicultural Women

Named in the 2019 and 2020 Forbes List – Best Employer for Diversity



Diversity, equity and inclusion is an essential part of how we do business at Johnson & Johnson.

The events of the past several months have stimulated an important global conversation around DEI, social justice and systemic inequalities. Our longstanding commitment to DEI and our mission to profoundly change the trajectory of human health enable us to create sustainable change.

As we look to the year ahead we will continue to build a workforce that reflects the communities we serve, enhances our inclusive culture and deepens the connection between DEI, our strategic partnerships and business to drive better outcomes for our people and the patients we serve.

Johnson & Johnson