

# Modern slavery statement

## for the financial year 1 January 2020 – 31 December 2020

### Introduction

As the world's largest and most broadly based healthcare company, Johnson & Johnson is committed to respecting human rights in our own operations and complying with the laws of the countries in which we do business. Moreover, we believe we have an opportunity to positively impact the protection of human rights within our sphere of influence. Our Purpose is to blend heart, science and ingenuity to profoundly change the trajectory of health for humanity.

This modern slavery statement has been prepared and submitted in accordance with the requirements of the Modern Slavery Act 2018 (Cth) (**Act**).

This modern slavery statement is made by:

- Johnson & Johnson Pty Ltd (ACN 000 023 709), both on its own behalf and on behalf of the following additional reporting entities:
- Johnson & Johnson Pacific Pty Ltd (ACN 001 121 446);
- Johnson & Johnson Medical Pty Ltd (ACN 000 160 403); and
- Janssen-Cilag Pty Ltd (ACN 000 129 975).

Each of these entities is a **Reporting Entity**, and together the Reporting Entities are referred to in this statement as **J&J Australia**.

This is J&J Australia's first Australian modern slavery statement. This statement sets out the information required by the Act for the reporting period 1 January 2020 – 31 December 2020 (**FY20**).

### Our structure, operations and supply chain

#### Our structure

J&J Australia is headquartered in Sydney and has approximately 1400 employees in Australia. J&J Australia is part of the multinational Johnson & Johnson Family of Companies (Johnson & Johnson).

Johnson & Johnson Pty Ltd is an Australian company headquartered in Sydney and is the holding company for the other Reporting Entities, each of which is incorporated in Australia and headquartered in Sydney. J&J Australia has field offices across the country.

#### Our operations

Johnson & Johnson has more than 136,000 employees across 77 countries engaged in the research and development, manufacture, and sale of a broad range of healthcare products across three business segments: Consumer Health; Medical Devices; and Pharmaceutical.

We operate 90 manufacturing facilities, which are located in all major geographic regions of the world. We operate research facilities in the United States, Belgium, Brazil, China, France, Germany, India, Israel, the Netherlands, Poland, Singapore, Sweden, Switzerland and the United Kingdom, with additional R&D support in over 30 other countries.

J&J Australia's key operations consist of:

- **Consumer Health (Johnson & Johnson Pacific Pty Ltd)** - Johnson & Johnson Consumer Health markets and sells consumer health products, offering families more than 650 trusted solutions for their most common health and wellbeing needs. Many of our brands have earned consumers' trust over generations. Our brands include JOHNSON'S®, JOHNSON'S BABY®, BAND-AID® BRAND ADHESIVE BANDAGES, NICORETTE®, CODRAL®, AVEENO®, NEUTROGENA®, LISTERINE® and CAREFREE®.
- **Medical Devices (Johnson & Johnson Medical Pty Ltd)** - Johnson & Johnson Medical Devices is one of the largest medical technology providers in Australia, working across public and private sectors. Johnson & Johnson Medical Devices supplies medical devices primarily for use by healthcare professionals, including in the fields of orthopaedics, surgery and interventional solutions.

- **Pharmaceutical (Janssen-Cilag Pty Ltd)** - Janssen Australia, the pharmaceutical division of J&J Australia, is dedicated to addressing and solving some of the most important unmet medical needs of our time, including oncology, immunology, neuroscience, infectious disease, and cardiovascular and metabolic diseases. Janssen Australia focusses on areas of medicine where it can make the biggest difference: cardiovascular and metabolism, immunology, infectious diseases and vaccines, neuroscience, oncology and pulmonary hypertension.
- **Charitable Activities** - The Global Community Impact (GCI) organisation, which is part of our global enterprise, drives our community giving, social impact and other philanthropic initiatives around the world. We leverage our long-standing partnerships, dedicated employee base and Company resources to build community-driven solutions, spark life-changing innovation and elevate ideas from individuals around the world. In Australia, J&J Australia supports a large number of good causes. We aim to change the trajectory of health and wellbeing of those experiencing disadvantage in our communities by increasing health equity and prioritising Aboriginal and Torres Strait Islander peoples and communities. We also focus on strengthening communities in Australia experiencing disadvantage through our disaster relief program, Consumer Health product donations to address grocery insecurity, medical product donations to support surgical missions in the Asia Pacific region enabling essential surgery, and health worker training to provide better access to care. In 2020, we partnered with a range of not-for-profit charities, social enterprises and social innovators and donated to Australian communities through our social impact programs, disaster relief, product donations and employee volunteering.
- **Other activities** – J&J Australia also leases and owns property across Australia for the purposes of operating its business and undertakes research and development including clinical trials. J&J Australia does not engage in external financial lending activities as part of its operations.

## Our supply chain

The success of our business depends on our ability to collaborate with suppliers that not only provide the highest quality products and services, but are philosophically and strategically aligned with our commitment to our social and environmental responsibilities.

Johnson & Johnson's global supply chain and supplier network supports the acquisition of goods and services across J&J Australia's operations, including finished products and indirect goods and services to support its business operations. J&J Australia's key supply chain segments are:

- **Johnson & Johnson Products** – J&J Australia acquires the finished products it supplies in Australia (across its Consumer Health, Medical Devices and Pharmaceutical business segments) through Johnson & Johnson's global supply chain.

Johnson & Johnson's global supply chain supports the making of products at Johnson & Johnson facilities and through external partners which are sold by J&J Australia. The extended global supply chain comprises more than 51,000 suppliers globally, serving the manufacturing facilities and distribution operations across our 3 business segments across the world. A critically important link in our supply chain, Johnson & Johnson's supplier network underpins our business continuity, expands our capabilities and innovation and enables our ability to serve our patients, consumers and customers and their need for our essential products and services. For more information about Johnson & Johnson and our supply base, see the relevant section in our [Health for Humanity Report](#).

The key regions from which J&J Australia obtains finished Johnson & Johnson products are EMEA, North America, APAC and LATAM.

- **Support functions** - J&J Australia obtains indirect finished goods and services (including product relabelling, facilities management, cleaning, transport, warehousing, IT, marketing, data and accounting services) for use in the ordinary course of its business. J&J Australia has more than 1000 such suppliers, the majority of which are located in Australia. The other main regions in which such suppliers are based are EMEA, APAC and North America.

During FY20, the COVID-19 pandemic impacted J&J Australia's usual supply practices. Johnson & Johnson and its affiliate companies, including J&J Australia, rely on the resilience of our global supply chains to help ensure patients, providers and consumers have access to medical goods, including during major public health threats. During FY20, we worked closely across our supply base to engage, assist and support suppliers as they partnered with us to maintain their own operations and supply essential products during the COVID-19 pandemic. For more information, see the COVID-19: Supply Chain Resilience section of our 2020 [Health for Humanity Report](#).

## Modern slavery risks in operations and supply chain

In 2019, Johnson & Johnson reviewed and updated our global governance structure for human rights due diligence across our value chain by establishing the Enterprise Human Rights Governance Council (EHRGC). The EHRGC 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, Global Procurement, Law Department, Corporate Governance, Government Affairs & Policy, and Environmental Health, Safety & Sustainability (EHS&S). In 2019, the EHRGC engaged with Shift, the leading centre of expertise on the United Nations (UN) Guiding Principles on Business and Human Rights, to help us identify and prioritise salient human rights issues at the enterprise level in a two-day workshop involving about 40 leaders across the Company. The outcomes of the workshop informed the EHRGC's 2020 workplan and activities to continue strengthening our human rights due diligence approach. Johnson & Johnson also joined Shift's Business Learning Program in 2019 to continue to deepen our engagement with Shift and be part of a cross-industry network of companies working to develop sustainable approaches to implementing the UN Guiding Principles on Business and Human Rights.

As a member of Johnson & Johnson, the work done and in progress at the enterprise global level on potential salient issues and human rights due diligence, is applicable to J&J Australia.

The areas below have been identified as potential sources of modern slavery risks for Johnson & Johnson and J&J Australia.

Risks based on size and location of suppliers:

- the scale and complexity of our supply chain and the broad range of products and ingredients we source (see more details in the Supplier Engagement section of our [2020 Health for Humanity Report](#)); and
- the wide range of regions from which we source (see more details in Supplier Engagement section of our [2020 Health for Humanity Report](#)).

Risks associated with specific supply chains, for example:

- The use of palm oil derivatives sourced from upstream suppliers in the manufacture of a small number of ingredients used in products supplied by J&J Australia (see more details in our [Responsible Palm Oil Sourcing Policy](#)); and
- Some of the minerals used in the manufacture of electronic and medical device products manufactured by Johnson & Johnson (see more detail in our [Position on Conflict Minerals](#)).

We consider these types of risks to be low within Johnson & Johnson and J&J Australia owned operations.

J&J Australia also notes that the economic and social impacts of COVID-19 may increase modern slavery risks in operations and supply chains. While during FY20 we worked closely across our supply base to engage, assist and support suppliers as they partnered with us to maintain their own operations and supply essential products during the COVID-19 pandemic, travel restrictions limited our ability to visit some suppliers. For more information, see COVID-19: Supply Chain Resilience section of our [2020 Health for Humanity Report](#).

## Actions taken to assess and address modern slavery risks

### Global Position on Human Rights

Johnson & Johnson's [Position on Human Rights](#) sets out the group's commitment to respecting human rights in our own operations and complying with the laws of the countries in which it does business and applies in respect of J&J Australia. The general rights and obligations cover:

- **Fair Labour Practices** – All employment must be in full compliance with all applicable laws and regulations, including those concerning hours, compensation, opportunity, and working conditions. Our operating companies are required to respect each employee's right to make an informed decision, free of coercion, about membership in associations and/or labour unions. Employees have the right to organise or join associations, and bargain collectively, if they so choose. Each company in the group and its operating companies are required to bargain in good faith with these associations.
- **Child Labour** - We support, follow, and comply with child labour laws across our operations and value chain. Our approach is consistent with the International Labour Organisation (ILO) labour standards outlined in ILO Conventions No. 138 and 182 and is set out in Johnson & Johnson's Employment of Young Persons Policy.

- **Forced Labour and Human Trafficking** - We do not accept or condone any aspect of forced or compulsory labour. We strictly prohibit our employees, suppliers and other business partners from engaging in human trafficking-related activities, as set out in Johnson & Johnson's Position on Employment and Labour Rights and Human Trafficking Policy.
- Johnson & Johnson has adopted a **Position on Providing a Discrimination-Free Workplace and a Position on Providing a Safe Harassment-Free Workplace**, which requires all of its employees and contractors not to engage in inappropriate workplace conduct. This is to promote the health, safety and welfare of all workers whilst at work by creating a workplace environment in which employees treat each other with courtesy, dignity and respect.

## Governance

At an enterprise global level, Johnson & Johnson is driven by Our Credo, a set of values and principles that, since 1943, has challenged and inspired us to put the needs and well-being of the people we serve first. These principles outline our obligations to our customers, our employees, our communities around the world, and our shareholders; they also unite our global workforce with a common value that the fundamental rights and dignity of all people must be respected. The Johnson & Johnson Credo and Code of Business Conduct set standards for all Johnson & Johnson employees and all Johnson & Johnson companies (including J&J Australia and its direct workforce), in undertaking its business.

In addition, Johnson & Johnson has established policies and positions that outline our commitment to respecting human rights across our value chain and advancing a responsible supply base. These policies and positions, which apply to each of the Reporting Entities comprising J&J Australia and their controlled entities, are available on the Johnson & Johnson website for more information:

- [Code of Business Conduct](#)
- [Employment of Young Persons Policy](#)
- [Human Trafficking Policy](#)
- [Position on Conflict Minerals](#)
- [Position on Employment and Labor Rights](#)
- [Position on Employee Compensation and Benefits](#)
- [Position on Environmental Health and Safety Management](#)
- [Position on Freedom of Association](#)
- [Position on Human Rights](#)
- [Position on Providing a Discrimination-Free Workplace](#)
- [Position on Providing a Safe and Harassment-Free Workplace](#)
- [Position on Responsible Supply Base](#)
- [Responsibility Standards for Suppliers](#)
- [Responsible Palm Oil Sourcing Policy](#)
- [Responsible Wood-Fiber Product Sourcing Policy](#)

At Johnson & Johnson, every employee is responsible for respecting human rights. The Enterprise Governance Council (EGC), a global, cross-functional team of senior leaders representing functional groups and three business segments, oversees enterprise-wide human rights due diligence work.

Quarterly EGC meetings provide a forum for updates on human rights topics, with an established process for elevating issues to the Johnson & Johnson Executive Committee, our Board of Directors and Board Committees if warranted. Two members of the Executive Committee, the Chief Human Resources Officer and the Chief Supply Chain Officer, serve as executive sponsors for human rights due diligence program, providing executive support and oversight. The Enterprise Human Rights Governance Council (EHRGC) referred to above, reports directly to the EGC.

## Due Diligence in Our Own Operations

Johnson & Johnson's [Position on Employment and Labor Rights](#), applicable to and adopted by J&J Australia, articulates our expectations for labour and employment practices at our sites, including preventing forced labour and child labour, freedom of association, non-discrimination, and fair compensation, among other matters.

In 2020, we developed a global risk-based approach to assessing compliance with our internal standards related to the human rights of our employees by initiating a project to conduct human rights audits at our sites. We have partnered with a third party who will conduct audits in conformance with the Ethical Trading Initiative (ETI) Base Code, an internationally recognised set of labour standards based on the ILO Conventions, the UN Guiding Principles on Business and Human Rights, and local labor regulatory requirements. Our audit risk screening criteria are based on the Supplier Ethical Data Exchange (SEDEX) Sedex Members Ethical Trade Audit (SMETA) best practice guidance and measurement criteria. We tailored risk screening criteria to include additional considerations relevant to Johnson & Johnson. The new audit program will be piloted within one of our three business segments in 2021.

To reinforce our commitment to fair pay as defined by Our Credo and the Position on Employee Compensation and Benefits, in 2020 we completed a living wage assessment ensuring pay is not only equitable and market competitive, but also more than sufficient to provide the means for our employees and their families to attain a sustainable standard of living. Living wage rates were provided by the global non-profit organisation, Business for Social Responsibility (BSR). The scope of the analysis included all 77 countries where we have more than 136,000 employees, including Australia. We have integrated the living wage assessment into our standard processes and plan to conduct this analysis on a regular basis going forward.

## Due Diligence in the Supply Base

**Supplier standards:** The Johnson & Johnson [Responsibility Standards for Suppliers](#), which is applicable to and adopted by J&J Australia, outlines our expectations for supplier business conduct. These Standards inform our selection of suppliers and guide our suppliers to operate in a manner consistent with the stated expectations. The Standards align closely with relevant provisions of the United Nations Guiding Principles on Business and Human Rights, the Consumer Goods Forum Social Resolution on Forced Labour and Priority Industry Principles, and the Pharmaceutical Supply Chain Initiative (PSCI) Principles for Responsible Supply Chain Management.

Additionally, Johnson & Johnson also has a Supplier Sustainability Toolkit which sets out steps to enrol suppliers in the group's Sustainable Procurement Program and assists them to meet expectations as a supplier to Johnson & Johnson. Johnson & Johnson has further positions and criteria on sourcing of material including as set out above. These positions are designed to ensure compliance with the ethical values and standards set out in Our Credo and the Johnson & Johnson Code of Business Conduct.

**Supplier selection and certification:** J&J Australia's standard contracts with suppliers require written acknowledgement of the supplier's obligation to comply with all applicable laws, as well as with our Employment of Young Persons Policy, the Responsibility Standards for Suppliers and our Human Trafficking Policy. Suppliers also commit to engaging only in business practices that are legitimate and ethical. Our standard Purchase Order Terms & Conditions incorporate the Responsibility Standards for Suppliers. In 2020, we further enhanced our supplier selection process with a deeper focus on human rights evaluation criteria.

The measures described above apply to J&J Australia and its controlled entities.

## Risk assessment and verification:

As a global organisation with a global supply chain model, verification and monitoring of supplier compliance with laws and regulations, and with our [Responsibility Standards for Suppliers](#), are conducted globally through formal assessment and audits. As a member of Johnson & Johnson global supply chain, J&J Australia relies on Johnson & Johnson global Supplier Sustainability Program to assess risk at its supplier level. Initial risk assessments are largely administered through EcoVadis. These assessments are conducted for suppliers participating in Johnson & Johnson global Supplier Sustainability Program or through our Environmental Health and Safety (EH&S) risk assessment program. EcoVadis assessments provide an initial screening of supplier performance; the results play an important role in determining which suppliers may require an on-site audit. In 2019 we conducted 1119 EcoVadis assessments at global level of suppliers across the supply chain accessed by J&J Australia.

Our social audit program focusing on human rights due diligence is conducted by an accredited external firm on behalf of Johnson & Johnson, in accordance with the SMETA 4-pillar guidelines. We select suppliers for social audits based on an overall risk assessment using EcoVadis labor and business ethics scores, location in a country considered high-risk for violation of human rights, and the supplier category. Our supplier EH&S audits are conducted by our EH&S group or in some cases by third-party firms on behalf of Johnson & Johnson, using the audit protocol developed by PSCI.

In 2020, Johnson & Johnson completed 104 EH&S audits and five social audits. Our global audit programs were constrained by COVID-19, mostly due to travel restrictions, minimising on-site workforces and limited resources at suppliers to support audits. See more details in Supplier Engagement section of our 2020 [Health for Humanity Report](#).

Based on our global practice, we categorise supplier non-conformances as critical, whether major and minor, and communicate the findings to each supplier with our expectations for time-bound corrective actions and demonstrated improvement. When critical findings are identified during audit, we expect immediate mitigation of the risk. We aim to maintain long-term relationships with suppliers and prefer to work with them to resolve audit findings. If significant non-conformance with our standards cannot be sufficiently resolved, we withdraw existing business and/or decline to start business with a new supplier. For more information about our supplier audit programs, see our [Position on Responsible Supply Base](#).

## Remediation

J&J Australia has access to a number of mechanisms through which employees and third parties can report concerns of suspected or actual illegal activity, including in relation to modern slavery. The primary mechanisms are:

- **Whistleblower Policy** – J&J Australia is committed to conducting business with honesty and integrity. J&J Australia encourages the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving its businesses. J&J Australia's Whistleblower Policy sets out the circumstances in which a person can make a whistleblowing disclosure, the process J&J Australia will follow in dealing with the disclosure and the protections which will apply to a whistleblower.
- **Johnson & Johnson Grievance Mechanisms** - Johnson & Johnson is committed to providing effective resolution where we have caused or contributed to adverse human rights impacts.

Where we find impacts directly linked to our business relationships, we will use our influence to work with our suppliers or business partners to prevent, mitigate and address adverse impacts on human rights.

The Johnson & Johnson [Our Credo Integrity Line](#) is a grievance mechanism available to all employees, suppliers and other business partners—offers a secure mechanism for anonymous reporting, where permitted, of suspected concerns or potential violations of our policies or the law, including potential human rights violations. We communicate the Our Credo Integrity Line access broadly, and the visibility of this access and hotline functionality is in scope for enterprise-wide audit procedures. Concerns raised through the Our Credo Integrity Line are reported at an enterprise level. For 2020 reporting, see the [Compliance & Bioethics](#) section in our 2020 [Health for Humanity Report](#).

In addition to the Our Credo Integrity Line, our employees can anonymously report potential violations to Human Resources either locally or through our Global Services team. Alternatively, they can report potential violations to management. To read more, see our [Position on Resolving Employee Grievances](#).

- In addition, J&J Australia follows an internal escalation policy designed to ensure the appropriate people become aware of issues and can respond to them in a timely fashion and includes dispute clauses in its standard third-party supply agreements to facilitate the effective and efficient resolution of disputes and related supply issues.

## Measuring the effectiveness of our actions

J&J Australia assesses the effectiveness of identifying and managing modern slavery risks by:

- Regularly reviewing current business practices with respect to J&J Australia's response to modern slavery and identifying lessons learnt;
- Engaging with Johnson & Johnson around operational and supply chain policies and practices, with a view to enhancing them over time as needs change;
- Listening and responding to concerns raised by customers and other stakeholders on a wide range of issues in a responsible manner. This includes how we manage our operations and supply chain;
- Running training for key executives on whistleblowing processes and how to handle protected disclosures (which would include any potential modern slavery instances);
- Working with suppliers to check how they are progressing any actions they have put in place to address modern slavery risks to ensure they are compliant with Johnson & Johnson's Responsibility Standards for Suppliers; and
- Participating in Johnson & Johnson's ongoing regular auditing of suppliers to ensure they meet appropriate standards.

## Training and development

Johnson & Johnson's Human Rights in the Supply Base training, covering all aspects of the group's [Position on Human Rights](#), is mandatory for all Global Procurement employees, including those within J&J Australia, and is also assigned to other relevant functions as needed. In addition, in late 2020 Johnson & Johnson launched a foundational human rights training course which is encouraged for all employees. This foundational course educates employees about our commitment to human rights, the impact our operations can have on human rights, and the responsibilities we have as Johnson & Johnson employees.

As part of Johnson & Johnson's supplier engagement efforts, in partnership with EcoVadis and CDP, Johnson & Johnson delivered inaugural, year-end educational webinars to review the progress of our Supplier Performance Program (SPP) and supplier performance and share progress toward our Health for Humanity 2020 Goals. This engagement program applies globally, including in respect of J&J Australia.

## Conclusion

J&J Australia is committed to continuous improvement in our efforts to identify and prevent human rights abuses in our supply chain. As we make further progress in the above areas, we will report on that progress through subsequent versions of this statement.

## Consultation and Approval

Each J&J Australia Reporting Entity has an executive team responsible for its business (and the entities it controls). Johnson & Johnson Pty Ltd, as the J&J Australia holding company has an executive team drawn from each business segment which has oversight of the Reporting Entities (and the other entities it controls).

In preparing this statement the executive team of each Reporting Entity, along with key functional support staff, were consulted to ensure the statement appropriately reflects the practices of each Reporting Entity (and the entities they control). The statement was approved by each Reporting Entity.

This statement has been approved by the Board of Johnson & Johnson Pty Ltd in accordance with the Modern Slavery Act 2018 (Cth).



**Sue Martin**

Director  
Johnson & Johnson Pty Ltd  
June 2021