

# Australian Modern Slavery Statement

## for the financial year 1 January 2021 - 31 December 2021

This modern slavery statement has been prepared and submitted in accordance with the requirements of the Australian *Modern Slavery Act 2018* (Cth) (Act) and sets out the steps the Johnson & Johnson Family of Companies (“Johnson & Johnson” or “the Company”) has taken to strengthen our due diligence processes to identify and address modern slavery and human trafficking in our business operations and supply chain.

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 Johnson & Johnson Australia.

The work completed and in progress at the Enterprise level on human rights risks, including modern slavery and human trafficking, and related due diligence is applicable to Johnson & Johnson Australia, as part of the multinational Johnson & Johnson, and the measures described below apply to Johnson & Johnson Australia and its controlled entities.

This is Johnson & Johnson’s Australia’s second annual Australian modern slavery statement. This statement sets out the information required by the Act for the reporting period 1 January 2021 – 31 December 2021 (FY21).

## Introduction

Johnson & Johnson is the largest and most diversified healthcare company in the world. Our operating companies employ approximately 144,300 employees in virtually all countries of the world, who are engaged in the research and development, manufacture and sale of a broad range of products in the healthcare field. We work with more than 45,300 suppliers and hundreds of external manufacturers to support the development and manufacturing of our products worldwide. The Company’s product portfolio includes thousands of Pharmaceutical, MedTech and Consumer Health products that address the health and wellness needs of people every day.

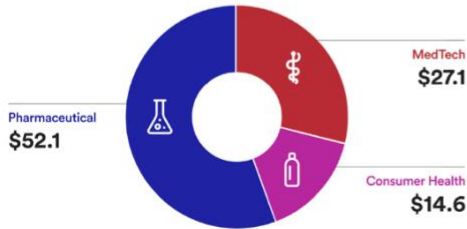


\* In November 2021, the Company announced its intention to separate the Company's Consumer Health business, with the intention to create a new, publicly traded company. The Company is targeting completion of the planned separation in 18 to 24 months after the initial announcement.

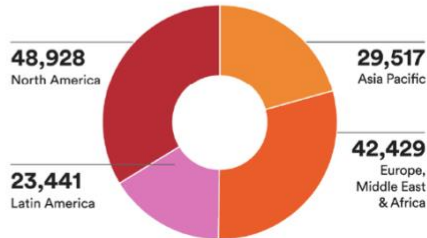
### Our Global Footprint



### Sales by Business Segment (Billions)



### Global Workforce by Region



## Our structure, operations and supply chain

### Our structure

Johnson & Johnson Australia is headquartered in Sydney and has approximately 1,400 employees in Australia. Johnson & Johnson Australia is part of the multinational 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. Johnson & Johnson Australia has field offices across the country.

## Our operations

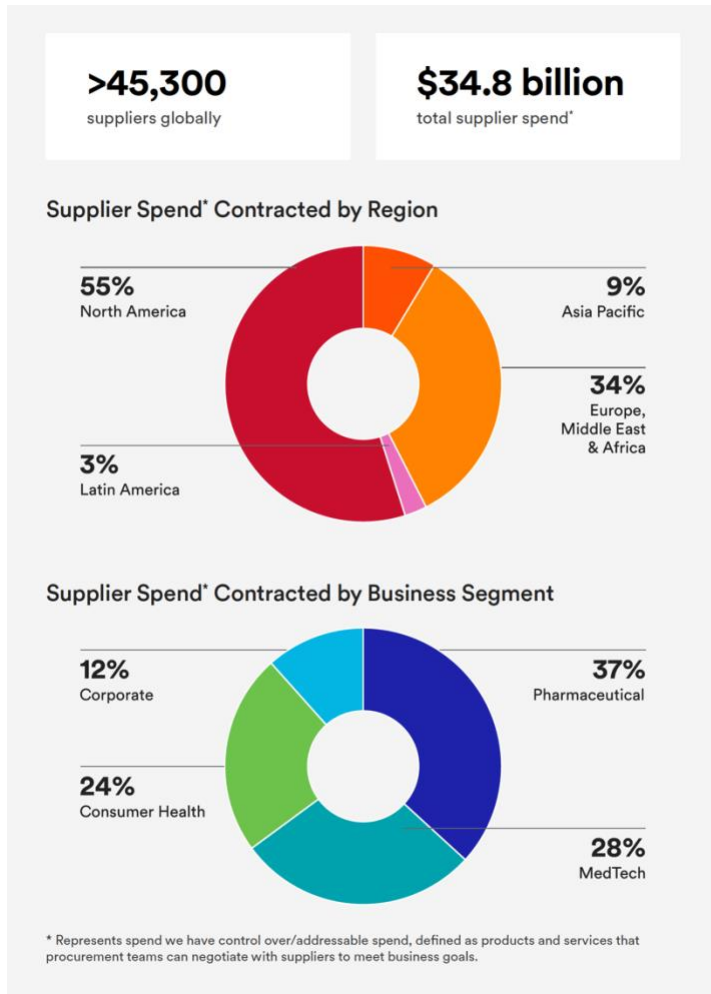
Johnson & Johnson Australia's key operations consist of:

- **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 well-being needs. Many of our brands have earned consumers' trust over generations. Our brands include JOHNSON'S<sup>®</sup>, JOHNSON'S BABY<sup>®</sup>, BAND-AID<sup>®</sup> BRAND ADHESIVE BANDAGES, NICORETTE<sup>®</sup>, CODRAL<sup>®</sup>, AVEENO<sup>®</sup>, NEUTROGENA<sup>®</sup>, LISTERINE<sup>®</sup> and CAREFREE<sup>®</sup>.
- **MedTech (Johnson & Johnson Medical Pty Ltd)** – Johnson & Johnson MedTech is one of the largest medical technology providers in Australia, working across public and private sectors. Johnson & Johnson MedTech 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 Johnson & Johnson 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** – In Australia, Johnson & Johnson Australia aims to change the trajectory of health and well-being 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; 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.
- **Other activities** – Johnson & Johnson Australia also leases and owns property across Australia for the purposes of operating its business and undertakes research and development including clinical trials. Johnson & Johnson Australia does not engage in external financial lending activities as part of its operations.

## Our supply chain

Johnson & Johnson's extended supply base comprises more than 45,300 suppliers across our three business segments. A critically important link in our value chain, Johnson & Johnson's supplier network underpins our business continuity and enables us to manufacture and deliver essential products and services to our patients, consumers and customers. We aim to maintain collaborative and trusting supplier relationships and encourage a broad diversity of suppliers to work with us. Through our Responsibility Standards for Suppliers (RSS), our Supplier Sustainability Program (SSP) and our Global Supplier Diversity & Inclusion program, we manage our supply base in line with Our Credo values. These Policies and Standards apply in Australia.

Johnson & Johnson’s global supply chain and supplier network support the acquisition of goods and services across Johnson & Johnson Australia’s operations, including finished products and indirect goods and services



to support its business operations. Johnson & Johnson Australia’s key supply chain segments are:

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

The key regions from which Johnson & Johnson Australia obtains finished Johnson & Johnson products are Europe, Middle East and Africa (EMEA), North America, Asia Pacific (APAC) and Latin America (LATAM).

- **Support functions** - Johnson & Johnson 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. Johnson & Johnson Australia has more than 1,000 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.

## Modern slavery risks and the actions taken in our operations and supply chain

We take proactive steps to identify and address potential human rights risks, including modern slavery and human trafficking risks, in our extended supply base and own operations including through ongoing human rights due diligence, responsible sourcing and our Responsibility Standards for Suppliers, the availability and application of grievance and remediation processes, building human rights knowledge and capabilities, governance processes and enhancing our strategic approach to human rights.

The areas below have been identified as potential sources of human rights risks, including modern slavery and human trafficking, for Johnson & Johnson and Johnson & Johnson Australia:

- 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 below); and
- The wide range of regions from which we source (see more details in Supplier Engagement section below);

- The use of palm oil derivatives sourced from upstream suppliers in the manufacture of a small number of ingredients used in products supplied by Johnson & Johnson Australia (see more details below); and
- Some of the minerals used in the manufacture of electronic and medical device products manufactured by Johnson & Johnson (see more detail below).

The measures described in more detail below apply to Johnson & Johnson Australia and its controlled entities.

## Policies and positions

Johnson & Johnson has a longstanding commitment to respecting human rights that is embedded in [Our Credo](#) and reflected throughout our organisation in the way we conduct business. Our approach to human rights, including modern slavery and human trafficking, is outlined in both our Position on Human Rights and our Responsibility Standards for Suppliers; it is also reflected in our related environmental, social and governance (ESG) [Policies and Positions](#) and annual regulatory disclosures. Our Credo and these policies are equally applicable to Johnson & Johnson Australia.

We respect, uphold and promote adherence to fundamental and universally accepted labour rights. We support the right of individuals to freely choose their place of work and therefore prohibit the use of any forced or bonded labour in the manufacture of any product, or any component of a product, by or for any of our businesses. We do not tolerate any form of trafficking or unlawful exploitation of individuals. We also prohibit the employment of young persons (under the age of 18) anywhere in our business, other than in compliance with International Labour Organization Conventions (ILO Conventions) 138 and 182 and all applicable laws and regulations concerning age, hours, compensation, health and safety. See also our Employment of Young Persons Policy and Anti-Human Trafficking Policy. These Policies and Positions apply to all our companies, including those in Australia.

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

- [Responsible Wood-Fiber Product Sourcing Policy](#)
- [Position on Resolving Employee Grievances](#)

See the ESG Policies and Positions on our website for more information [here](#).

Our commitment to respecting and promoting human rights, including modern slavery and human trafficking, applies to all Johnson & Johnson locations, operating companies and business operations worldwide, including those in Australia. We recognise that human rights due diligence is a continuous process, and we have policies, processes, training and monitoring management systems in place in furtherance of this commitment. We expect our business partners—including suppliers and customers—to share our commitment to respect human rights. All suppliers shall comply with our RSS, which set forth our requirements around business practices. Processes are in place to identify and manage human rights risks associated with our supply base. We have also established due diligence processes to assess and monitor compliance of our suppliers with labour, employment, environment and business ethics provisions of the RSS.

## Own operations

In 2021, we continued to strengthen our approach to due diligence in order to identify, assess and address potential and actual human rights impacts across Johnson & Johnson’s operations globally. We conducted human rights audits at key sites using the Supplier Ethical Data Exchange (Sedex) Members Ethical Trade Audit (SMETA) best practice guidance and measurement criteria. In addition, our Human Resources organisation implemented a program to enhance fair labour practices in our own operations, focused on living wage and hours of work:

- **Living wage:** Since 2020, we have embedded an annual living wage assessment into standard compensation processes with the aim for all employees in our operations globally, including in Australia, to receive pay that is competitive in their local markets and sufficient to support a sustainable standard of living for them and their families. The annual assessment in 2021 was undertaken, with living wage rates provided by BSR, and fewer wage gaps were identified compared with the 2020 analysis. As a result, a small number of wage adjustments were made.
- **Excessive hours:** In 2021, we examined the potential risk of excessive work hours for employees in our operations. Our assessment included an evaluation of hours worked in specific sites. The findings from this assessment will inform the development of a global guideline to limit work hours to 60 hours per week (including overtime) for wage employees, in line with ILO conventions.

Johnson & Johnson’s Position on Employment and Labor Rights, applicable to Johnson & Johnson Australia, articulates our expectations for labour and employment practices at our sites, including preventing forced labour and child labour and non-discrimination, among other matters. 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.

- **30% of employees worldwide are covered by collective bargaining agreements.**

We consider modern slavery and human trafficking risks to be low within Johnson & Johnson and Johnson & Johnson Australia owned operations.

## Supply base

We recognise the potential for human rights risks, including modern slavery and human trafficking, for Johnson & Johnson and Johnson & Johnson Australia in our supply base.

We strive to work with suppliers who share our values and commitment to operating responsibly and ethically. The Johnson & Johnson RSS outlines our expectations of supplier business conduct. The RSS aligns closely with relevant provisions of the United Nations Guiding Principles on Business and Human Rights (UNGPs), 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.

The RSS assists us with selecting suppliers who operate in a manner consistent with these expectations and help our suppliers understand and comply. Our sourcing process includes human rights evaluation criteria in supplier selection. All suppliers are expected to comply with our RSS, and our standard Purchase Order Terms & Conditions reflect these. When appropriate, Johnson & Johnson operating companies may work with suppliers to identify agreed-upon actions and timelines to achieve improvement as a condition of initial or ongoing engagement. Johnson & Johnson operating companies consider progress in meeting these Standards and ongoing supplier performance in their sourcing decisions.

### Supplier engagement

We enrol suppliers in our SSP based on a number of risk metrics as well as the size of their business with us. The SSP requires, among other things, suppliers to conform to our RSS, and all suppliers in the program regularly complete an assessment by EcoVadis, a recognised provider of business sustainability ratings for global supply chains.

**Auditing supplier site compliance:** We verify supplier site compliance with laws and regulations as well as with other policies, including our RSS and our Position on Human Rights, through our Environmental Health and Safety (EH&S) audit program and SSP. Our EH&S audit program, which has been in place since 2006, is conducted using the audit protocol and checklist developed by the PSCI. Our social audits program, part of our SSP, is conducted in accordance with Sedex SMETA 4-Pillar guidelines and is focused on human and labour rights. In 2021, we completed 124 EH&S audits, the majority in Asia, and 11 social audits. Our audit programs in 2021 continued to be affected by COVID-19, mostly due to travel restrictions, minimising in-person site visits and limited resources at suppliers to support audits. We continued to leverage virtual audits using video and other online tools.

Details of these programs are captured in the table below:

Supplier Engagement	2021
Number of suppliers invited to participate in the CDP Supply Chain Climate program	388
Percentage participated	82%
Number of suppliers invited to participate in the CDP Supply Chain Water program	135
Percentage participated	75%
EcoVadis assessments completed	881
<b>Supplier risk ranking based on EcoVadis assessments</b>	
Low risk	635
Medium risk	213
High risk	33

## Responsible sourcing

Across our business, we source commodities and raw materials in multiple categories. Some of these require heightened procurement focus due to critical environmental or biodiversity concerns or elevated human rights risks in the supply chain. We collaborate with supply chain partners to understand the potential risks and impacts of our procurement activities in these areas and define appropriate standards and controls in responsible sourcing of commodities and materials of concern.

- **Wood-fiber products:** Johnson & Johnson is committed to more responsible sourcing of wood-fiber products. We partner with the Rainforest Alliance to engage our suppliers and implement our Responsible Wood Fiber Product Sourcing Policy. Learn more: [Responsible Wood-Fiber Product Sourcing Policy — Progress Update](#).
- **Palm oil:** We support the production and use of responsible palm oil through the implementation of our Responsible Palm Oil Sourcing Policy. We partner with the Earthworm Foundation and Action for Sustainable Derivatives to build supply chain transparency and monitor nonconformance to our commitments. Learn more: [Responsible Palm Oil Sourcing Policy — Progress Update](#).
- **Conflict minerals:** As members of the Responsible Minerals Initiative and in line with regulatory requirements, we remain committed to taking steps to determine the use, country of origin and source of tin, tungsten, tantalum and gold in our global product portfolio. Learn more: Annual Conflict Minerals Report available on our [SEC Filings](#) page.

## Grievance mechanisms and remediation

Johnson & Johnson 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** – Johnson & Johnson Australia is committed to conducting business with honesty and integrity. Johnson & Johnson Australia encourages the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving its businesses. Johnson & Johnson Australia's Whistleblower Policy sets out the circumstances in which a person can make a whistleblowing disclosure, the process Johnson & Johnson Australia will follow in dealing with the disclosure and the protections that will apply to a whistleblower.
- **The Johnson & Johnson [Our Credo Integrity Line](#)** provides a global, accessible channel for reporting concerns and is available 24 hours a day, 7 days a week and in 24 languages. It is independent, secure and confidential, offering a safe mechanism for anonymous reporting (where permitted by local law) of suspected concerns or potential violations of our policies or the law. We communicate the Our Credo Integrity Line access broadly, including to our employees in Australia, so that employees and others who work with us know this channel exists for them to raise grievances at any time. Johnson & Johnson does not tolerate threats or acts of retaliation in any circumstance. See our Position on Resolving Employee Grievances.

In order to ensure that we appropriately and efficiently address human rights within Our Credo Integrity Line, we created a separate category for those who wish to make an inquiry or report a complaint that involves a potential or actual human rights impact.



- **Escalation policy** – Johnson & Johnson 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.

## Building human rights knowledge and capabilities

**Building employee capabilities:** All Johnson & Johnson employees have a role to play in respecting human rights. Our Foundational Human Rights Learning and Education Course was rolled out in 2021 in 26 languages to targeted employees globally. In recognition of Global Human Rights Day in December, we promoted this course to all employees to drive further awareness and uptake. In 2022, the course will be mandatory for employees in our Procurement function (including those in Australia), and we will continue to target the training to additional employees who play a key role in delivering on our human rights commitments.

**Building supplier capabilities through our SSP:** In 2021, we launched our Onward Sustainability Program, part of our SSP, to focus on direct engagement with suppliers to explain our requirements and how they can best meet them. Replacing our previous static supplier toolkit, Onward is an engaging and broad-reaching series of webinars and materials in which Johnson & Johnson's procurement and sustainability subject matter experts partner with the British Standards Institution to host best-practice sharing sessions on topics relating to our goals and objectives. The program is ongoing but has included sessions on sustainability basics, starting a supplier sustainability program and how to host an audit. The live sessions and materials directly reach more than 1,000 suppliers in our SSP and are available anytime to all our suppliers in our Supplier Quality Academy. In 2021, we delivered five Onward Sustainability Program sessions, in which more than 1,000 attendees from 45 different countries participated.

## Governance

A robust governance structure for ESG matters is essential to underpin the long-term success of our Company and our ability to deliver value for our stakeholders. Our sustainability governance includes oversight by the Board of Directors, management accountability, policies and management systems, and published policies and positions on key ESG topics.

The Johnson & Johnson Enterprise Governance Council (EGC) is the primary governance body for ESG topics and implementation of the Company's Enterprise Risk Management Framework. The EGC comprises senior leaders who represent our Pharmaceutical, MedTech and Consumer Health business segments and our global Enterprise functions.

The EGC oversees our enterprise-wide human rights due diligence program. 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 our human rights due diligence program, providing executive support and oversight.

The Enterprise Human Rights Governance Council (EHRGC) that reports directly to the EGC is a team of experts representing the 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 Enterprise Sustainability.

## Enhancing our strategic approach to human rights

2021 marked the 10th anniversary of the UNGPs, representing a timely opportunity to reflect on the evolution of international efforts to respect human rights in company value chains and to consider ways in which we at Johnson & Johnson can further strengthen our approach to human rights. To achieve this, our EHRGC engaged BSR to support Johnson & Johnson to evolve our human rights strategy. Together with BSR, Johnson & Johnson conducted an enterprise-level gap analysis of our human rights approach in relation to the UNGPs, reviewed our existing priority focus areas and emerging human rights topics, and gathered insights from interviews with senior leaders at Johnson & Johnson and external stakeholders. With these inputs, we held internal workshops with key stakeholders to further develop and define a long-term strategic framework that will shape our human rights priority focus areas and action plans.

## Measuring the effectiveness of our actions

Johnson & Johnson Australia assesses the effectiveness of identifying and managing human rights risks, including modern slavery and human trafficking, by:

- Regularly reviewing current business practices with respect to Johnson & Johnson 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;
- Providing 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 RSS; and
- Participating in Johnson & Johnson's ongoing regular auditing of suppliers to ensure they meet appropriate standards.

## Addressing non-conformance

We categorise supplier non-conformances for both EH&S and social audits as critical, major and minor, and we communicate the findings to each supplier with our expectations for a documented plan of 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 and drive continual improvements in standards. If significant non-conformance with our standards cannot be sufficiently resolved, we withdraw existing business or decline to start business with a potential new supplier.

## Post-audit support

We provide the following forms of support for post-audit supplier improvement:

- Follow-up technical visits that include expert training and best practice sharing
- Business reviews with direct coaching and guidance
- Supplier conferences, webinars and other resources

## Conclusion

Johnson & Johnson Australia is committed to continuous improvement in our efforts to identify, prevent and remedy 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 Johnson & Johnson Australia Reporting Entity has an executive team responsible for its business (and the entities it controls). Johnson & Johnson Pty Ltd, as the Johnson & Johnson 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 Australian *Modern Slavery Act 2018* (Cth).



**Susan Martin**  
Director  
Johnson & Johnson Pty Ltd  
June 2022