

# Position on Corporate Governance

## Background

Corporate governance refers to the framework of principles, policies and practices that define a company's approach to oversight and accountability to ensure that company operations align with the long-term interests of its shareholders and are responsive to broader stakeholders. Effective corporate governance requires robust legal, regulatory and compliance practices to ensure that company operations are ethical and compliant, and that they appropriately manage risk. A qualified, diverse and engaged board of directors is critical to overseeing company practices and ensuring that management is accountable to shareholders.

## Guiding Principles

Johnson & Johnson's approach to corporate governance begins with [Our Credo](#), which defines our responsibility to the patients and customers who use our products, our employees, the communities where we live and work, and our shareholders. Beyond that foundational commitment, we look to the following:

- Our [Principles of Corporate Governance](#) sets forth the duties and responsibilities of the Company and the Board of Directors to ensure effective governance of our Company.
- The Company is committed to providing robust disclosure on our corporate governance practices to our shareholders and other stakeholders in our annual [Proxy Statement](#) and [Health for Humanity Report](#).
- Company management and the Board of Directors closely monitor corporate governance practices and developments, and are committed to implementing best practices as they evolve. In certain circumstances, the Company may endorse third-party governance standards, including the following:
  - Johnson & Johnson endorses The Business Roundtable's Corporate Governance Committee's [Statement on the Purpose of a Corporation](#) (2019), which affirms its member CEOs' commitment to a broader set of stakeholders that includes customers, employees and communities, as well as shareholders.
  - Johnson & Johnson is a signatory to the Commonsense Corporate Governance Principles 2.0, a set of principles that aspire to promote a constructive dialogue on good corporate governance for the benefit of the millions of Americans who work for and invest in America's public companies.

## Our Position

As the largest, most diversified healthcare products company, Johnson & Johnson is committed to conducting its business responsibly, and that starts with oversight by leadership at the highest level of the organization, our Board of Directors.

We believe that strong corporate governance is critical to sound management of risk and the creation of long-term value for all stakeholders. Our Board of Directors oversees our business to ensure that our strategy is in line with Our Credo values, enabling us to grow in a compliant manner that adequately manages risk and appropriately advances opportunities. Our governance structure, policies and processes are designed to support the needs of our business, shareholders and other stakeholders, and to promote a culture of accountability across Johnson & Johnson. Our governance framework and processes include:

**Board oversight:** Our Board is comprised of a diverse group of leaders who are deeply engaged in the oversight of our business and possess the skills and requirements required for optimal oversight. The core Committees of the Board of Directors are comprised of independent Directors, and they have broad access to internal and external experts to ensure that they have the information and perspective necessary to appropriately oversee the Company's operations. Johnson & Johnson provides extensive disclosure about the Board and its practices—including its approach to risk oversight—in the Company's annual Proxy Statement.

For more information about our governance structures, supporting governance documentation and Board Charters, please see the [Corporate Governance](#) section of our website and annual [Proxy Statements](#).

**Enterprise Risk Management:** Our approach to overseeing risk is informed by our Enterprise Risk Management framework (ERM). The ERM is designed to identify risks that may affect the Enterprise and to manage the related risks and opportunities to ensure we will be able to meet our short- and long-term goals. Our ERM categorizes risk into strategic, operational, compliance (including legal and regulatory), financial and reporting, environmental and social, and cybersecurity risk categories. Within each category, we seek to identify and remediate risks, enable improved decision-making and prioritization, and promote monitoring and reporting across compliance functions. Our senior executives are responsible for day-to-day management of these risks, including creating appropriate risk management policies and controls.

The ERM aligns with the [Committee of Sponsoring Organizations of the Treadway Commission's 2017 ERM framework update](#), which emphasizes the importance of considering risk both in the strategy-setting process and in driving performance. For more information, please see our [Enterprise Risk Management Framework](#).

**Board transparency and accessibility:** We believe in thoughtful transparency at every level, including our most senior leadership and Board of Directors. Interested parties can contact our Board of Directors at any time using contact information published on our [Corporate Governance website](#).

## Application

This Position is relevant for the Johnson & Johnson Family of Companies, as detailed in our [governance materials](#).

*Last Updated: March 2023*