

Position on Employee Compensation and Benefits

Background

A positive and socially responsible workplace aims to compensate its employees fairly and equitably. Providing fair and competitive pay and benefits to employees can be shown to support motivation, attraction and retention, all of which help a company maintain a competitive position in the marketplace. At the same time, employees who are compensated fairly and supported through additional benefits are able to make a positive contribution to the economic life in their communities as consumers of local goods and services.

Relevance

As the largest, most diversified healthcare products company, Johnson & Johnson has a considerable impact on local communities through the individuals who form our Family of Companies. Our compensation and benefit programs motivate and empower employees to contribute at their best. In doing so, we advance our purpose of blending heart, science and ingenuity to change the trajectory of health for humanity and help advance prosperity around the world. At the same time, as a large and responsible corporation, we make a positive contribution to society by helping our direct employees and their dependents along the path to maintaining physical, mental, emotional and financial well-being.

Guiding Principles

As stated in [Our Credo](#): “We are responsible to our employees who work with us throughout the world ... Compensation must be fair and adequate and working conditions clean, orderly and safe. We must support the health and well-being of our employees and help them fulfill their family and other personal responsibilities.”

Our Position

We support the right of individuals to fair compensation for their work and aim to provide competitive compensation and valuable benefits for employees at all levels. We always observe legal minimum wage provisions and often exceed these. Through our Global Compensation Framework (GCF), we reward employees in a way that recognizes their contributions to our business and is consistent worldwide. We are committed to pay equity, including gender and racial/ethnic group pay equity, and seek to ensure through our practices that pay decisions are based on merit. Our benefits packages aim to improve the quality of life for employees by providing practical support for family, health, education and long-term financial management needs. To better support our employees, we seek to understand their entire lifecycle needs at work and help enrich their lives and those of their loved ones with a holistic range of benefits, starting with health and well-being and extending to retirement planning and finances. We believe in investing in our people to create a

virtuous cycle that pays us all back: the healthier our employees and their families, the healthier our business—and the healthier our world.

We offer employees benefits that fall into four well-being categories:

- Physical and Mental Well-Being;
- Flexibility and Time Off;
- Family Care; and
- Financial Well-Being.

All employees¹ are eligible for some form of benefits. The following is not an exhaustive list but is representative of the comprehensive benefits we offer at the time of this update (see below for date).

Physical and Mental Well-Being

- **On-site health centers** and services at several of our locations across the globe that provide state-of-the-art, integrated health and wellness services with an emphasis on prevention and education, as well as immediate injury/illness care, occupational health and personal health coaching.
- **On-site fitness centers** at several of our locations. We also offer a reimbursement program covering fitness center memberships, group exercise classes and personal training sessions.
- **Healthy eating options** and healthy weight support at our facilities.
- **Reimbursements** for healthy eating and healthy activities.
- **Health screenings**, cancer awareness and prevention.
- **Energy management and resilience training** through our ENERGY FOR PERFORMANCE in Life program. Employees at any Johnson & Johnson company location worldwide can take the course, either as a webinar or in person. The course helps participants learn how to manage and expand their energy capacity to perform at their best in all areas of their life.
- **Modified duty** and support for returning to work after an injury or illness.
- **Access to International SOS for business travel**, providing one-click access to assistance, as well as medical and security alerts for business travel destinations.
- **Tobacco-free workplace** and smoking cessation support.
- **HIV/AIDS confidential testing** and support.
- **Personal health assessment** and personalized digital health tools.
- **Transgender-inclusive health insurance** coverage (varies outside the U.S.).
- **Same-sex partner benefits** (varies outside the U.S.).
- **Employee Assistance Programs** and CARE (Confidential. Accessible. Responsible. Engaged.) Services, including counseling with mental health professionals.

Flexibility and Time Off

- **Enhanced Parental Leave:** All new parents—maternal, paternal, adoptive or surrogacy-assisted—can take 12 weeks of paid leave during the first year of the family's new addition at any of our operating companies globally.
- **Global Flexible Work:** Johnson & Johnson has a rich history of supporting a work environment that respects the need for flexibility in when, where and how employees work. Our global hybrid working

¹ "Employee" is defined as an individual working full-time or part-time, excluding fixed-term employees, interns, co-op employees, contingent workers, contractors and subcontractors.

model, J&J Flex, allows office-based employees the option to work at least three days on-site and up to two days to work remotely per week.

- Guided by Our Credo values, we have long championed policies that provide flexibility for our employees to balance personal and professional responsibilities. This model builds on our existing portfolio of Flexible Work Arrangements, offering a Company-wide approach designed to help our workforce balance their commitments in and out of the workplace.
- The vitality of our business depends on our ability to be flexible and to think differently about traditional ways of working, in order to adapt to the ever-changing external environment. The type of Flexible Work Arrangements we offer, in partnership with an employee and their manager, include flex-schedule, compressed work week, flex-place/remote work; and part-time work and job-sharing.

Family Care

- **Fertility, surrogacy assistance and adoption benefits:** Reimbursement for fertility treatments and adoption as well as surrogacy benefits, in some markets. In the U.S., we offer \$35,000 in financial assistance for fertility treatments. We also provide adoption or surrogacy reimbursement benefits of up to \$20,000 per child.
- **Breast milk shipping:** We offer nursing mothers worldwide a temperature-controlled delivery service that enables mothers to ship breast milk directly and safely back home for free while traveling for business purposes.

Financial Well-Being

- **Pension/retirement plans:*** We provide a non-contributory plan vesting after five years or upon reaching the age of 55.
- **Retirement savings plan 401(k):*** Our plan provides an opportunity to save for the future while taking advantage of tax savings in the U.S. We match an employee's 401(k) contributions at 75 cents to the dollar, up to 6% of salary, which is 100% vested after three years of service. Outside the U.S., Johnson & Johnson provides retirement income through a variation of social plans, defined contribution and pension schemes.
- **Financial planning support.***
- **Enhanced military and first-responder benefits.***
- **Legal Benefit Plan** with access to legal counseling.*
- **Tuition reimbursement*** of approved tuition expenses and fees for programs relevant to an employee's career.
- **Fair compensation:** We aim to provide competitive compensation for employees at all levels. We reward employees in a way that recognizes their contributions to our business and aligns to our GCF. We are committed to pay equity, including gender and racial/ethnic group pay equity, and seek to ensure through our practices that pay decisions are based on merit. We are also committed to pay a living wage and regularly conduct a global living wage assessment to ensure that pay is sufficient to provide the means for our employees and their families to attain a sustainable standard of living.

* Applicable in the U.S. only. Retirement programs outside the U.S. vary by country.

Application

This Position is relevant for the Johnson & Johnson Family of Companies, as detailed in our [governance materials](#). We also maintain an overview of benefits on Johnson & Johnson's [Careers website](#).

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