

Position on Innovation

Background

In our dynamic world, change is constant and influenced by many factors, including population increase and demographics, global warming, economic stability, globalization and urbanization, healthcare infrastructures and public policy, changing lifestyle habits and awareness of healthcare issues. Similarly, the tools available to address healthcare needs must also change rapidly, with technological advancements, global connectivity, use of Big Data, artificial intelligence (AI), machine learning, material science, gene editing, robotics and digital health tools.

There is a growing understanding of the connection between the natural environment and its impact on health conditions and needs. All of this means new medical conditions and diseases continue to emerge, and it is incumbent upon healthcare companies—with their knowledge, expertise and capabilities—to help solve critical healthcare issues. They must remain at the forefront of developments in healthcare and pursue innovation to meet unmet and changing healthcare needs, which represent a significant barrier to human progress and long-term prosperity. In addition, they must advance innovations that address the needs of all, in an equitable manner, given the healthcare disparities that exist around the world.

Relevance

At Johnson & Johnson, we believe medical innovation is at the heart of human progress. We view innovation as a critical engine of our long-term business success and the foundation of our contribution to sustainable development and an equitable and inclusive society. We rely on the transformative power of scientific knowledge, curiosity, technology, and extensive collaboration to uncover innovative solutions to some of the biggest health challenges of our time across the full spectrum of healthcare. As the largest, most diversified healthcare products company, Johnson & Johnson is uniquely positioned to leverage its scale, expertise and multiple core capabilities to deliver innovative medicines, medical technologies and consumer health products that contribute to improving the trajectory of health.

Guiding Principles

As stated in [Our Credo](#): “We believe our first responsibility is to the patients, doctors and nurses, to mothers and fathers and all others who use our products and services ... We must experiment with new ideas. Research must be carried on, innovative programs developed, investments made for the future and mistakes paid for. New equipment must be purchased, new facilities provided, and new products launched.” These words continue to inspire us to deliver groundbreaking innovation to meet unmet healthcare needs, including those in resource-limited settings.

As part of a global community aspiring to achieve prosperity worldwide, we endeavor to advance the [UN Sustainable Development Goals \(SDGs\)](#), in particular SDG #3: “Ensure healthy lives and promote well-being for all at all ages.” Our global innovation programs align closely with SDG #3 targets and also support other SDGs that enable our progress; these include SDG #17 for advancing partnerships and SDG #10 for reducing inequalities.

Our Position

Our vision at Johnson & Johnson is to positively impact human health through innovation. We have a legacy of more than 135 years of improving health through scientific research and innovation. We pursue breakthroughs in science and technology in our own laboratories and through external collaborations sourced through our powerful network of scientists and entrepreneurs all over the world. We combine a strong internal focus on R&D with high-potential external partnerships to improve the lives of patients and consumers, and achieve long-term business value.

Culture of Innovation: Innovation permeates the culture of Johnson & Johnson, creating a transformational ecosystem that unites the ingenuity of our people with the innovation found in our external networks. The practical ways we advance innovation across Johnson & Johnson include:

- We hire top scientists, medical and technology experts and data scientists, to harness and scale breakthroughs in science and technology, advancing the Johnson & Johnson product pipeline.
- We leverage our expertise across our business segments in a holistic approach to address pressing healthcare challenges. We achieve this by establishing hubs or centers of excellence to harness resources in cross-Company innovation and deliver optimum solutions. Similarly, we address certain developments, such as the application of data science and digital technology, within each business segment.
- Through our four global Johnson & Johnson Innovation Centers, we identify the best external innovation for potential partnerships with a focus on accessing novel products from all sources—from inception to early stages of development—including startups, entrepreneurs, biotech leaders and other visionaries.
- Via Johnson & Johnson Innovation – JLABS, we provide a global network of open innovation, health sciences incubators, giving life science startup companies access to the tools they need to take their breakthrough ideas from concept to commercialization.
- We utilize Johnson & Johnson Innovation – JJDC, Inc., the longest-established corporate venture fund in the life sciences industry, to make strategic venture and equity investments in life sciences opportunities for fifty years.
- We engage in business development activities for our business segments to form active partnerships where Johnson & Johnson can bring its breadth, scale and experience to bear in creating long and valuable relationships.
- We commit to ethical principles, which include shaping policy, ensuring appropriate use of data, and monitoring for bias in our data sets.

See the following overview, showing how each arm of our comprehensive innovation ecosystem contributes to our culture and practice of innovation:



Research & Development: We invest significant R&D resources in each of our business segments:

- Pharmaceutical R&D** is focused in areas of medicine where the science is compelling and where we have the greatest opportunity to solve the most urgent unmet medical needs of our time. These include the areas of cardiovascular, metabolic and retinal disease; infectious diseases and vaccines; autoimmune and inflammatory disease; neuroscience; oncology; and pulmonary hypertension. We apply our expertise in traditional and non-traditional modalities, from small molecules and monoclonal antibodies to cell therapy, small interfering RNA (siRNA) therapeutics and gene therapy. We study biological pathways that underpin more than one disease to help speed discovery and development

of new therapies for multiple conditions. We are deeply invested in data science, leveraging its power across all aspects of discovery and development to identify and select promising targets; design and advance the most promising molecules; conduct more targeted, efficient and diverse clinical trials; diagnose patients with rare and difficult-to-detect diseases earlier; understand the natural history of disease; explore alternative clinical trial endpoints; and more. For more information, see [Janssen Research & Development](#).

- **MedTech R&D:** At Johnson & Johnson MedTech and Johnson & Johnson Vision we bring the power of technology to address some of the world's biggest unmet health needs. From access to safer, less invasive, robotically enhanced surgery, to enabling mobility and better sight, our breadth and depth extend across surgical and orthopaedic technologies, eye health and interventional solutions to meet the changing needs of patients and healthcare providers around the world. Our comprehensive MedTech and Vision businesses create breakthrough innovations, advanced medical technologies, and patient-centered solutions that improve health outcomes and the health experience for patients, physicians, health systems, and others along the spectrum of care. For more information see [Johnson & Johnson MedTech](#) and [Johnson & Johnson Vision](#).
- **Consumer Health R&D:** Johnson & Johnson Consumer Health believes in caring for people around the world by anticipating their needs and creating solutions and experiences that help them and those they care for live healthy, vibrant lives. Johnson & Johnson Consumer Health, known for its iconic brands, is one of the largest and most scientifically driven consumer businesses in the world and enjoys strong endorsements by healthcare professionals. Our Consumer Health R&D capabilities are focused on providing scientifically and clinically proven solutions for consumer needs in Consumer Healthcare (pain, cough/cold, allergy, digestive health, smoking cessation, oral care, wound care, feminine care) and in Skin Care (baby, face, sun, body, hair) applications.

Innovation for Global Public Health: Our dedicated [Global Public Health \(GPH\) organization](#) takes on the toughest challenges to advance healthcare for the world's most under-resourced populations. While the world has made progress in providing healthcare, major gaps remain, and bolder, smarter approaches are needed to overcome inequity in access to care. Through our GPH organization, which includes R&D, global access strategies and programs, and local operations, we support innovation across the continuum of care—from the “lab to the last mile.” We pioneer and sustainably deliver meaningful and transformational products in areas where we believe we can make a profound difference—from expanding access to care in HIV, tuberculosis and global mental health to addressing and preventing future pandemics. Recognizing we can't do this alone, we seek to bring together public and private resources while utilizing and leveraging the resources and expertise of Johnson & Johnson's innovation ecosystem to deliver targeted innovation addressing critical global public health challenges.

Other Cross-Business Segment Focus Areas for Innovation: In addition to pursuing breakthrough science and innovation in our business segments and our GPH organization, we are advancing initiatives in other cross-business segment areas that include behavioral science, immunosciences, health technology, lung cancer and predictive analytics.

Innovation Governance: All Johnson & Johnson R&D and our global innovation networks are co-led and overseen by Johnson & Johnson Executive Committee members: (1) our Executive Vice President, Pharmaceutical, R&D; and (2) our Executive Vice President, Chief External Innovation and Medical Officer. MedTech innovation is overseen by our Executive Vice President, Worldwide Chairman, MedTech. MedTech R&D leaders work closely with External Innovation and Pharmaceutical R&D colleagues where relevant on innovation governance processes and controls. All distinct innovation channels are led by senior leaders who

are supported by designated teams of scientists, data analysts, engineers and healthcare professionals. When appropriate, we form cross-functional, cross-business segments or cross-region teams to support certain types of innovation, and partner extensively outside Johnson & Johnson to leverage the best science, wherever it originates.

Application

This Position is relevant for the Johnson & Johnson Family of Companies, as detailed in our [governance materials](#). We provide updates relating to innovation in our annual [Health for Humanity Report](#).

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