

Tax Policy

Introduction

As the world's largest and most broadly based healthcare company, guided by Our Credo, we strive to make positive contributions to society in many ways including developing innovative products, creating jobs, investing in our communities, and paying our fair share of taxes to governments. These taxes include corporate income taxes, employment taxes, property taxes, customs duties and other indirect taxes.

Our tax contribution in each country is based on our activities performed within the country. These activities may include one or more of the following: research and development, manufacturing, sales, marketing and other business support functions.

In order to define our approach to tax and manage tax risks related to operating a global business, our Tax Policy provides the guiding principles for governance of tax matters, compliance, planning and relationships with government authorities.

Governance and Controls

All income, property and indirect taxes are overseen by the Vice President of Global Taxation, who reports to the Chief Financial Officer. Tax affairs are managed through a global network of qualified and trained tax professionals, who work closely with our business segments.

As an integral part of the overall financial internal control framework, we regularly review internal policies, procedures, training and compliance programs over our key tax processes.

Every tax professional has the responsibility to identify, assess and communicate tax risks and to help ensure the appropriate accounting. We ensure oversight and governance of tax matters through internal review and approval procedures by appropriate members of Global Tax leadership, the Global Audit & Assurance function, executive boards where appropriate and oversight by the Audit Committee of the Board of Directors, consistent with our [Enterprise Risk Management Framework](#).

We continuously drive innovation and investment in technology to improve systems and increase the quality of our tax processes and data management.

Compliance

The Johnson & Johnson [Code of Business Conduct](#) ensures that we hold ourselves and how we do business to a high standard, allowing us to fulfill our obligations to the many stakeholders we serve.

Our tax professionals are committed to complying in good faith with the tax laws and regulations in every country of operation and meeting reporting and tax payment requirements.

Transactions between our affiliated companies are guided by the arm's length principle as set out by the Organisation for Economic Co-operation and Development (OECD) guidelines for international tax matters.

As a matter of policy and culture, robust escalation procedures are in place as integral components of our compliance framework. These procedures include a channel for all employees, contractors, customers, third-

party agencies and other partners to report potential violations of our Company policies or applicable laws and regulations in the countries in which we operate, including those related to taxation.

Tax Planning and Incentives

Our Global Tax organization partners with our businesses to provide sustainable tax planning that aligns to our business operations, enhances value and manages tax risks. Tax planning is informed and driven by how our businesses operate and grow, and we advocate for incentives that bolster innovation. Tax incentives are an important mechanism used by countries and regions to attract investment and employment to stimulate both cross border and local economies. Where available and appropriate considering our business activities, we seek to access government sponsored tax incentives or benefits and apply them in the manner intended and consistent with the government's policy objectives.

We reject planning opportunities that are not in line with our values or are inconsistent with our reputation. We have no tolerance for tax evasion and tax fraud. Where uncertainty exists and when appropriate, we seek early clarification from external parties, including expert advisors and/or governmental authorities.

Relationship with Tax Authorities

We value cooperation with tax authorities and we are committed to engaging with tax authorities in all countries of operation in a professional and collaborative manner. In the event a tax authority disagrees with our views on the appropriate tax treatment of a given item and matters cannot be timely settled by agreement with tax authorities, we may resolve the issue through appropriate methods of dispute resolution.

We seek to be a valued partner to governments and international organizations, such as the OECD. We embrace pro-active alignment on multilateral tax principles that are simple, clear and effective in encouraging innovation and growth. These principles should increase long-term certainty and benefit countries, companies and our multiple stakeholders.

Transparency

We are committed to complying with existing transparency frameworks, such as OECD Country by Country reporting, and we aspire to work toward broader tax transparency over time. The responsible evolution of transparency policies is important, and we support efforts that improve the understanding of enterprises' total tax contributions. We engage with various stakeholders to work toward coordinated, practical reforms. For additional tax disclosure, please see information on our total tax contribution in the annual [Health for Humanity Report](#).

Application

This Policy has been endorsed by our Executive Committee and applies to all Johnson & Johnson's subsidiaries and employees.

Last Updated: November 2022

For UK purposes: This Policy is published on behalf of all J&J subsidiaries including the UK subsidiaries in respect of the 2022 financial year in compliance with their duties under paragraphs 19(2) and 22(2) (as applicable) of Schedule 19 UK Finance Act 2016.