

Position on Ethical Sales and Marketing

Background

Healthcare is among the most personal and intimate aspects of everyone's life. Communications about a medicine, healthcare product or medical technology should relate to its suitability to treat a medical condition or meet a medical need as both indicated by a regulatory body and determined by healthcare professionals (HCPs). These considerations should be separate, as far as possible, from commercial interests. Therefore, healthcare companies are expected to align themselves with ethical standards relating to marketing, promotion and sales of healthcare products, to protect patients and consumers, and to refrain from activities that might inappropriately influence the decisions of HCPs.

Relevance

As the largest, most diversified healthcare products company, Johnson & Johnson conducts a wide range of activities in the healthcare marketplace everywhere we do business, including research, education, marketing and sales. In order to protect our employees, patients, consumers, and our business, we must take every reasonable measure to ensure we operate in accordance with laws and ethical standards in the way we communicate about our products and promote them in our diverse markets.

Guiding Principles

As stated in [Our Credo](#): "We must provide highly capable leaders and their actions must be just and ethical ... We are responsible to the communities in which we live and work and to the world community as well ... We must be good citizens ..." Also, our firm commitment to ethical and compliant conduct is embedded in Johnson & Johnson's [Code of Business Conduct](#).

Our Position

At Johnson & Johnson, we strive to operate with the highest standards of business conduct and transparency through all communications with patients, consumers, HCPs and other stakeholders. We are committed to responsible, ethical and patient-centered sales and marketing practices. Our sales and marketing efforts seek to accurately inform health decisions and consumer choices. Our approach includes:

Enforcing the highest standards: Our sales and marketing practices are governed by the Johnson & Johnson Code of Business Conduct, the U.S. Healthcare Consolidated Guidance, our Johnson & Johnson International Health Care Business Integrity Guide (HCBIG), our [Position on Responsible Interaction with Healthcare Professionals](#), relevant national laws, regulations, and industry codes and guidelines. We aspire to bring the highest standards and level of integrity to our sales and marketing activities

by following all laws and regulations regarding the promotion, marketing and sales of our products, including ensuring that what we communicate is clear, non-ambiguous, legible, truthful, accurate, balanced, fair, complete and not misleading, and is consistent with regulatory approvals for our products.

All Johnson & Johnson operating companies follow internal guidelines for promotional communication, which are regulated through strong internal review processes. All promotional materials used must be consistent with the currently-approved product information (label and instructions for use) in each country of operation and must be periodically reviewed and updated if new scientific evidence becomes available. We promote products only for their approved use and never before approval for has been granted for marketing.

- **Internal standards for interacting with HCPs:** Johnson & Johnson operating companies interact with HCPs for a wide variety of reasons including product consulting, promotional speaking, product development, clinical research and educational events. Our guidelines and policies, which are designed to ensure that HCP interactions take place in a compliant and transparent way, require the following for any interactions with HCPs that involve the exchange of anything of value:
 - Services must fulfill a legitimate, documented business need.
 - Services must be provided based on qualifications, experience and special knowledge or capabilities.
 - Any compensation must be based on fair market value.
 - Payment or funding must never be based on the current or anticipated future purchasing or prescribing of Johnson & Johnson products.
 - Reimbursement for travel, lodging and meal expenses must be reasonable, documented and in line with Johnson & Johnson's travel and entertainment policy.
 - Locations where interactions with HCPs occur should be conducive to the exchange of business or scientific information.
 - Johnson & Johnson operating companies must not provide recreation or entertainment to HCPs.
 - Meals and refreshments provided to HCPs must be modest in value and not a focal point of the meeting.
 - Proper documentation is required for all services.

- **Industry standards for interacting with HCPs:** In addition to our internal standards, a broad range of industry guidelines and regulatory laws in the countries where we operate govern the wide variety of scientific, sales, promotional and marketing arrangements with both public and private entities and individuals, including HCPs. These include:
 - The Advanced Medical Technology Association Code of Ethics on Interactions with Health Care Professionals;
 - The Pharmaceutical Research and Manufacturers of America Code on Interactions with Healthcare Professionals;
 - The PhRMA Guiding Principles on Direct to Consumer Advertisements about Prescription Medicines;
 - The International Federation of Pharmaceutical Manufacturers & Associations Code of Practice;
 - Applicable Federal Trade Commission Rules and Guides;
 - Other similar trade association codes around the world.

- **Enforcing due diligence:** Our approach to ethical sales and marketing extends to third parties. Due diligence is regularly conducted on third-party intermediaries to help ensure compliance with our policies and standards, including due diligence activities at pre-contractual phase before we enter into an agreement with a third-party intermediary. The contracts with intermediaries include requirements that intermediaries must abide by when interacting with customers at our direction or under our control, including, among others: compliance with applicable anti-corruption laws and the policies contained in our HCBIG; agreement to certify compliance periodically at our request; and agreement to allow auditing of their activities by Johnson & Johnson.

We monitor and enforce compliance with these internal and external standards for sales and marketing through our compliance program.

Providing ongoing training for sales representatives: Johnson & Johnson provides sales representatives with ongoing scientific training and product knowledge. For each product promoted, the sales representative must have the most recent product information, as approved by management and the appropriate external authorities.

We require our sales representatives and third-party intermediaries to be familiar with the U.S. Healthcare Consolidated Guidance, the Johnson & Johnson International HCBIG, and applicable laws, regulations and industry codes.

All employees, including sales representatives, Medical Science Liaisons and their respective managers are properly trained on the reporting of complaints and adverse events relating to Company products. Employees are required to promptly report to their respective Johnson & Johnson operating company on all adverse events and incidents.

Participating in scientific exchange: To remain informed about the latest advances in scientific and medical research, we participate in various scientific events and forums. If permitted under applicable laws and the Johnson & Johnson Code of Conduct, a Johnson & Johnson operating company may sponsor or organize congresses, symposia and other educational meetings that are primarily intended to support the dissemination and exchange of scientific and medical information.

Sponsorship of such activities may consist of financial, scientific, technical, organizational and/or logistical support. In instances where a Johnson & Johnson operating company is the sole sponsor or is directly organizing the event, these events must be organized for scientific exchange and not with the primary goal of promoting Company products.

Where permitted under local law and applicable codes of conduct, a Johnson & Johnson operating company may provide or pay for travel, hotel, meals, and fees for HCPs to attend third-party or Company-sponsored congresses or symposia. However, support for attendance must not be conditioned upon any agreement or promise to prescribe or purchase any Johnson & Johnson services or products, and must meet Johnson & Johnson travel and expense policy requirements. The Johnson & Johnson operating company must document its selection criteria for supporting any HCPs to attend a third-party educational event. Selection criteria must be based on the educational need of the HCP or the HCP's institution, not on the potential to influence prescribing behavior. Additional details can be found in our [Position on Responsible Interaction with Healthcare Professionals](#).

Marketing practices: We require our employees to follow industry guidelines on advertising medicines and medical technologies to ensure our product advertising and communications are helpful to doctors and their patients. Our communications must provide doctors and patients with full information, and must be transparent about the benefits and the risks of our products. We strive for clear, accurate and non-misleading

marketing practices. There is employee training on responsible advertising, marketing and promotion of products. Corporate audits of responsible marketing practices are also conducted. We align with the WHO Ethical criteria for medicinal drug promotion.

Direct-to-consumer marketing: We believe direct-to-consumer (DTC) advertising contributes to greater awareness about conditions and diseases, which can benefit public health by increasing the number of patients appropriately diagnosed and treated. We design our social media interactions to be transparent. Our communications are developed to comply with local laws and regulations; in countries where DTC advertising is not permitted, for example, we forbid it in our communications.

Packaging and labeling standards: Products developed and commercialized through our Pharmaceutical and MedTech businesses must meet all applicable laws regarding package inserts and labeling standards, which contain appropriate information for HCPs and patients. For over-the-counter pharmaceutical products, packaging and inserts are likewise used to communicate with consumers.

Reporting suspected ethics or compliance violations or concerns regarding ethical sales and marketing: The [Our Credo Integrity Line](#) 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, so that employees and others who work with us know this channel exists for them to raise grievances at any time.

We also communicate annually a reminder about our Escalation Procedure, which specifies responsibilities for all employees relating to what should be reported, the timeframe, and how. It includes reporting requirements and guidance for the full range of actual or potential ethical conduct or compliance violations such as those related to travel and expenses; accuracy of books and records; theft or fraud in any form; non-compliance with our government contracts or pricing obligations; misconduct of any kind; conflict of interest or data privacy breaches, and more.

Application

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

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