

# Position on Climate Action

At Johnson & Johnson, we recognize that climate change and human health are inextricably linked.<sup>1</sup> We are taking action to reduce our own impact on climate change while also preparing our business for potential consequences of climate change and supporting the adaptation and resilience of global healthcare systems.

**We have a responsibility to do our part to mitigate climate change by decarbonizing our operations and value chain.**

The Intergovernmental Panel on Climate Change (IPCC) has concluded that to avert the most significant health impacts the world must limit global temperature rise to 1.5°C above pre-industrial levels. Johnson & Johnson believes that businesses play an important role in helping to achieve this target, including implementing reductions of greenhouse gas (GHG) emissions within their control, aligned with climate science, and engaging in activities to mitigate Scope 3 value chain emissions, which are outside their immediate control but where they may have influence.

To that end, Johnson & Johnson has been setting and achieving carbon reduction goals for more than two decades.

Our current climate goals are:

- By 2025, source 100% of our electricity needs from renewable sources<sup>2</sup>
- By 2030, reduce absolute Scope 1 & Scope 2 GHG emissions 44% (from a 2021 base year)<sup>2</sup>
- By 2028, 80% of our suppliers by emissions covering purchased goods and services and upstream transportation and distribution will have science-based targets

These goals have been validated by the Science-Based Targets initiative (SBTi).

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<sup>1</sup> <https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health>

<sup>2</sup> Includes site-specific data from all Johnson & Johnson owned sites, all manufacturing and R&D sites, and leased administrative or warehouse sites over 50,000 sq ft, where Johnson & Johnson has operational control, unless otherwise noted. Energy metrics for 2021 and 2022 have been restated to reflect the separation of the Consumer Health business.

In addition to our near-term goals, we also have an ambition to achieve net-zero emissions across our value chain by 2045.

We work closely with key suppliers and industry partners on initiatives and workstreams in our extended value chain to measure and reduce carbon emissions in prioritized procurement categories.

We also engage our employees around the world. Through dedicated internal programs and trainings, we encourage both personal and professional action to help mitigate climate change. Read more about our approach to climate action [here](#).

**We have a responsibility to ensure our business is resilient to the potential impacts of climate change.**

According to the 2022 Global Risks Report by the World Economic Forum, the environmental risks of extreme weather events and temperatures, accelerating biodiversity loss, and failures of climate-change mitigation and adaptation could result in disruption of critical infrastructure and global supply chains.<sup>3</sup>

To ensure we are able to continue to meet the needs of patients, doctors, nurses and customers, we advance climate adaptation strategies for resilient operations and supply chains. This includes evaluating related risks associated with a changing climate and integrating them into our risk mitigation programs, business continuity, and capital planning programs.

**We believe multi-stakeholder engagement is essential to improving climate health at the rate and scale needed.**

While companies have a responsibility and ability to impact issues related to their own operations, the unilateral capabilities of businesses are limited; addressing complex challenges like climate change requires the collaboration of companies with governments, industry peers and non-governmental organizations to make progress at scale.

We participate in coalitions that support actions to promote a low carbon economy and mitigate climate change, to share best practices and encourage the advancement of a broad set of policy solutions in

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<sup>3</sup> Global Risks Report 2022, 17th Edition, World Economic Forum, 2022, pages 30-44.

support of renewable energy and market-based climate policies. We support initiatives and public-private partnerships that promote and drive innovation and the scale-up of renewable and low-carbon technologies.

**We have a responsibility to contribute to a climate resilient healthcare system and healthcare workforce.**

In addition to direct impacts on human health, climate change also threatens the capacity of health systems to manage and protect human health, including by limiting access to critical services. Areas with more fragile health infrastructure, mostly in communities that are already underserved, will be the least able to prepare for and respond to climate-related disruptions.<sup>4</sup>

At Johnson & Johnson we are committed to working with like-minded partners to support communities that are experiencing the impacts of climate change on human health, including issues related to climate change and health equity. Our support focuses on empowering healthcare workers and strengthening the resilience of healthcare systems that are susceptible to the impacts of climate change. Read more about our approach to advancing environmental health equity [here](#).

## Governance

The Board of Directors and its relevant Committees—including the Regulatory Compliance & Sustainability Committee (RCSC)—are responsible for oversight of the Company’s climate strategy and goals. The Chief Sustainability Officer (CSO), who leads the Office of Sustainability, presents updates on the progress toward climate-related goals and targets to the RCSC at least annually. The CSO also provides regular updates to the Executive Vice President, Chief Technical Operations & Risk Officer, who is a member of the Company’s Executive Committee, and a management representative to the Board of Directors in the RCSC.

At the management level, the Johnson & Johnson Enterprise Compliance & Risk Committee (ECRC) serves as a centralized committee for governance and oversight of risk management activities, including on climate-related issues across the Company. The ECRC, which is chaired by the Chief Technical Operations & Risk Officer, is comprised of leaders across sectors and functions and meets several times

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<sup>4</sup> [Climate change and health. World Health Organization, 2021.](#)

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a year to proactively review risk areas, integrate external risks and opportunities, and monitor risk mitigation plans and actions. The CSO is a standing member of the ECRC.

Key milestones in furtherance of our climate strategy are included as part of our Enterprise strategic goals, which are in turn reviewed with our Board of Directors on a quarterly basis and used to hold our CEO and other named executive officers accountable for business performance. In addition to Executive leadership, members of our senior management have climate-related performance indicators as part of their individual annual goals and objectives. Our external climate goals are considered among the key performance indicators of our ESG performance.

## Reporting and disclosure

To address the evolving needs of our stakeholders, we report on our climate progress annually and ensure the availability of data through our [Health for Humanity Report](#).

We understand that climate change mitigation, water stewardship, waste management and conservation of biodiversity are interconnected, and we are taking action in each of these areas. Read our [Position on Environmental Stewardship](#) for more information.

## Application

This Position is relevant for the Johnson & Johnson Family of Companies, as detailed in our [governance materials](#). We provide updates relating to climate action in our annual [Health for Humanity Report](#). Johnson & Johnson's ESG Policies and Positions on these and other issues are available in full [here](#).

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