

Position on Counterfeit Healthcare Products

At Johnson & Johnson, we aim to protect those who use our products; we maintain our product integrity and believe the trade in counterfeit healthcare products should be eliminated for the benefit of all.

Counterfeit healthcare products place people—the very people we aim to help—at risk of adverse events, serious health problems and potentially even death. Fake medicines and medical device products undermine confidence in product quality, safety and reliability, which, at Johnson & Johnson, are at the center of everything we do. Additionally, counterfeit healthcare products destroy the economy of healthcare, diverting income and tax revenues from those who work to improve healthcare while adding a cost burden of monitoring and control, and impacting health outcomes. Counterfeiting and illicit trade also fund a variety of criminal activities including organized crime, child labor and even terrorist activity.¹

In today's global economy, where patients and consumers may potentially be exposed to counterfeit products in stores, online, or even in healthcare settings, we must take tangible steps to help ensure that they receive only genuine products of the Johnson & Johnson Family of Companies.

Johnson & Johnson is committed to identifying and mitigating the risks of counterfeit healthcare products in several ways. These include:

- **Implementing product and packaging security measures** that help distinguish the authentic product from a counterfeit, and aid in minimizing the potential for tampering.
- **Improving controls in our supply chain**—from sourcing of ingredients and manufacturing through distribution—to help minimize the risk of counterfeit products entering the system.

¹ <https://www.iacc.org/resources/about/what-is-counterfeiting>

- **Monitoring markets and investigating counterfeiting** activities in full collaboration with regulatory and law enforcement authorities to locate and remove counterfeits from the market, seize and destroy the manufacturing equipment, and prosecute or take civil action against the perpetrators.
- **Working with governments and regulators** to identify opportunities to strengthen laws and enforcement efforts to ensure the integrity of distribution channels.
- **Training our employees** on suspicious product reporting. We also extend brand protection training to law enforcement agencies, including the U.S. Customs and Border Protection, to help ensure a safe and secure supply chain.
- **Helping raise awareness of the dangers of counterfeit healthcare products** and educating people in the role they can play in advancing the elimination of illicit trade.
- **Leveraging innovative digital technologies** to enhance supply chain integrity, enable early detection of the presence of illicit trade, and more effectively expose the sources, networks and patterns of illicit trade throughout our global markets and channels. Our illicit trade analytics platform enables us to generate actionable intelligence and insights from numerous disparate data sources, both internal and external.
- **Engaging with external trade groups, alliances, organizations and agencies**—either in leadership positions or as a member of industry working groups—to help collaboratively combat trade in counterfeit healthcare products. In any given year, our engagement and collaboration span multiple countries and groups, and activities differ depending on issues that arise. Some key groups we engage with on a regular basis include:
 - Center for Anti-Counterfeiting and Product Protection at Michigan State University (A-CAPP MSU)
 - International AntiCounterfeiting Coalition (IACC)
 - International Trademark Association (INTA)
 - Pharmaceutical Security Institute (PSI)
 - Quality Brands Protection Committee of China (QBPC)
 - Rx-360 – The International Pharmaceutical Supply Chain Consortium

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We are also members of—and/or hold board positions on—several additional region-specific industry groups.

Our robust process for alerting health agencies, customers and business partners of confirmed instances of counterfeiting, illegal product diversion or product tampering activities is governed by standard operating procedures and regulatory requirements. For example, one of our Enterprise supply chain programs, Serialization and Traceability, helps to secure the healthcare supply chain and provides the ability to track and trace many pharmaceutical products from manufacturing to point of dispense.

Through our work on serialization and traceability, we're creating unique identifying information at all levels of production. Each saleable item, case and pallet has a unique identifier, and the unique numbers are uploaded onto a database, providing actionable product intelligence.

As an output to these comprehensive strategies and actions, we strive to ensure that all who use our products have unequivocal confidence in their quality, safety and authenticity. We continue to aggressively manage risks related to illicit trade to protect patients and consumers from potential harm.

Application

This Position is relevant for the Johnson & Johnson Family of Companies, as detailed in our [governance materials](#). We report relevant progress in anti-counterfeiting 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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