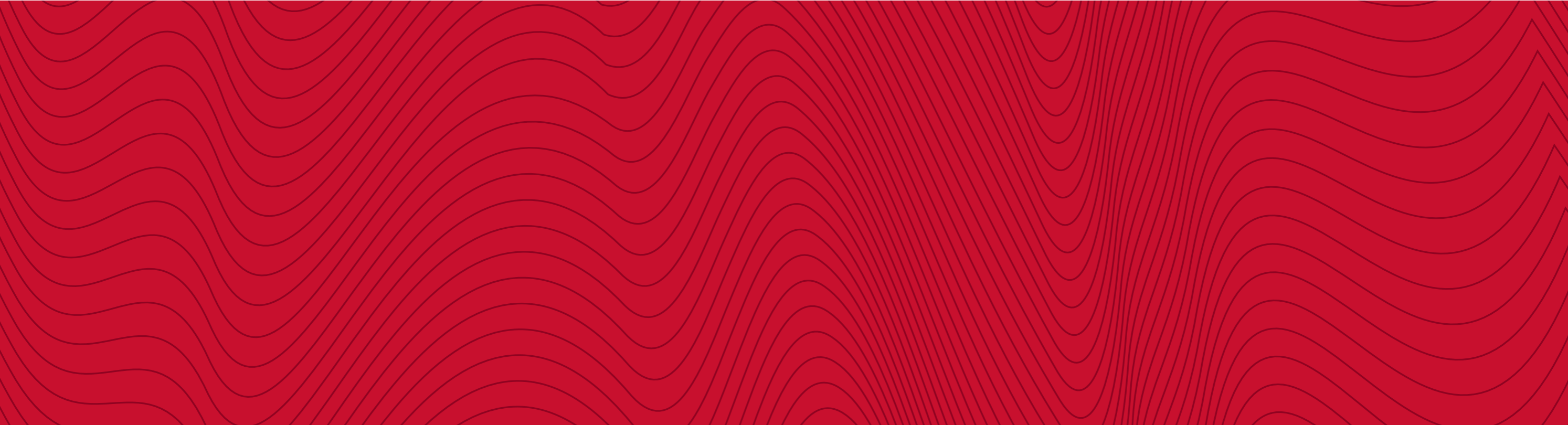


*Johnson & Johnson*

# UK Gender Pay Gap Report 2019





A message from Clare Lee

## Head of HR for EMEA

At Johnson & Johnson, diversity and inclusion is built into the fabric of our DNA and has always been critical to our success in delivering quality health solutions and innovations to the billions of people we serve around the world.

We believe diversity and inclusion is a key driver of our business success, which is why over the past two years we have made our longstanding commitment to D&I even more explicit. Last year, we launched our inaugural [You Belong: D&I Impact Review](#) to explore how we are transforming our approach to D&I and making it how we work every day. It's also why, when we celebrated the 75th anniversary of Our Credo in 2018, we specifically added inclusion, personal job fulfillment and purpose to Our Credo.

We continue to look to the UK gender pay gap analysis as part of our broader efforts to support a diverse workforce, and we remain committed to continuing our efforts to improve gender equality at Johnson & Johnson.

Clare Lee

Head of Human Resources  
for EMEA





# What is in this report

1

## Our commitment to diversity and inclusion

Please go to [page 3](#)

2

## The gender pay gap and Johnson & Johnson

Please go to [page 5](#)

3

## Our multi-dimensional strategy for fostering an inclusive culture

Please go to [page 9](#)

# 1

## Our commitment to diversity and inclusion

Our commitment to diversity and inclusion stretches back over a century.

When Johnson & Johnson was founded in 1886, James Wood Johnson and his brothers wanted to start with the best workers they could find—the most highly skilled and the most willing to innovate and try new things. Of the 14 employees willing to leave the established company of Seabury & Johnson and follow their vision at what we would now call a “start up,” eight were women.

Fast-forward to today and we are continuing to progress on Diversity and Inclusion (D&I) by implementing our unifying global D&I strategy, which we believe will enable our employees to deliver on our Johnson & Johnson purpose to change the trajectory of health for humanity.

We are pleased with our progress. We have expanded our Enterprise Sponsorship Program for Diverse Talent globally, and last year launched a Diversity & Inclusion Honors program to recognize and celebrate employees harnessing the power of D&I to advance their business strategies.

Of course, gender diversity plays a key part in our D&I strategy. Women are important leaders and contributors for our businesses. As of December 2018, women represented 47.8% of our worldwide workforce—including 35% of VPs and above as well as 45.6% of our Manager and Director population. In 2018, women represented more than 50% of our new hires and over 50% of upwards promotions across our global workforce.

Kristine Humphreys

Group Marketing Manager

Founder of Casting Aside Stereotypes Today (CAST)—an award-winning group challenging stereotypes in advertising.



CAST (Casting Aside Stereotypes Today) started out as a personal mission, driven by my professional understanding that advertising and brands played a role in propagating stereotypes. I set up the group with the full support of managers at Johnson & Johnson—who even opened doors for me to drive further awareness across the business and expand the initiative. What started out as a small team has grown beyond recognition—and we are very proud to have been one of the inaugural winners of the J&J Global Diversity & Inclusion Honors in 2019.



# 1

## Our commitment to diversity and inclusion

We understand the importance of continuing to support women as leaders and contributors so that we can create a healthier tomorrow for the people we serve.

We have numerous programs in place to drive gender diversity and equality. They are focused on ensuring career development is supported at all levels, building a business that is attractive and inclusive for all, and increasing the talent pools of qualified women at all levels of the organization.

In fact, this year we are celebrating the 25th anniversary of Women’s Leadership & Inclusion (WLI), one of our longest standing employee resource groups. Through WLI, more than 5,000 employees connect and network across our global companies, supporting each other’s development. WLI is committed to the development, advancement and retention of women leaders with a vision to “achieve gender equality across our businesses globally to enhance our competitive advantage and fuel the future of human health.”



Named a 2020 Fortune World’s Most Admired Company



Named amongst top 10 companies for Executive Women by the National Association for Female Executives



Johnson & Johnson makes DiversityInc Hall of Fame in 2019

# 45.6%

of our Manager and Director population are female across the globe





# 2

## The gender pay gap and Johnson & Johnson

### Understanding the numbers

Consistent with Our Credo values, we welcome the UK's gender pay gap reporting requirement as encouraging discussion about the progress of women in UK businesses. The UK gender pay gap reporting process reviews figures based on the UK Government requirements, indicating where progress has been made over the past year, and where there is more to be done. But it is important to stress that the gender pay gap differs from equal pay.

#### What is the difference between the gender pay gap and equal pay?

The gender pay gap compares pay for all employees in a business, without considering differences in job function, job level, qualifications and experience. By contrast, an equal pay analysis compares the pay of employees performing the same or similar jobs.

#### What is the difference between median and mean figures?

The median gender pay gap compares the middle point in a number set. So, if you were to look at 100 men and 100 women in our business, this compares the pay of the 50th person in each group.

The mean gender pay gap compares the average salary between men and women. Our gender pay gap calculations are based on the UK Government's requirement that companies publish an "unadjusted gap" based on an average across all employees regardless of roles. When we adjust to account for employees' job levels, our gender pay gap drops to a range of -0.9% (favoring women) to 2.1%, and our bonus pay gap drops to a range of approximately -9.2% (favoring women) to 4.8% across the five J&J legal entities that are required to report gender pay gap data.

While we recognize that we still have work to do and opportunities to improve, the impact of adjusting even for job level alone provides insight for our understanding of the published gender pay gap figures.



# 2

## The gender pay gap and Johnson & Johnson

### J&J gender pay gap analysis

Our UK Gender Pay Gap Report 2019 publishes gender pay gap data for Johnson & Johnson's five legal entities in the UK with more than 250 employees.

These companies are: DePuy International Ltd, Janssen Cilag Ltd, Johnson & Johnson Consumer Services EMEA Ltd, Johnson & Johnson Ltd, and Johnson & Johnson Medical Ltd.

Across these five entities, the mean gender pay gap as defined by the UK legislation ranged from 8.1% to 16.1% in 2019. We've seen incremental improvement in the range of gender pay gaps for these five companies over the

past two years, and we remain focused on long-term outcomes. To meaningfully effect change, we will continue to concentrate on tackling drivers of the gender pay gap as part of our holistic diversity and inclusion strategy.

The bonus pay gaps for Johnson & Johnson's UK companies vary by entity. The mean difference ranges from 14.5% to 42.4%. As with the pay gap, this represents an overall improvement from our 2017 and 2018 figures, and our focus remains on long-term outcomes.

As of April 5th, 2019, the "snap shot" date set by the UK Government for this year's report, the average gender pay gap for all UK companies is 17.3%. We're encouraged to see that all of our Johnson & Johnson UK companies fell below the national average.

Jo Lightning

Vice President, Privacy EMEA



After nine years in the Johnson & Johnson Law Department I felt privileged to move to an entirely different function and to lead the Global Privacy organization within the EMEA region. I have always felt my managers listened to my opinions on where I hoped my career might take me, and they have regularly invested in my development.



# 2

## Breaking down our results

We have five legal entities that are required to report. Their individual results are set out below.

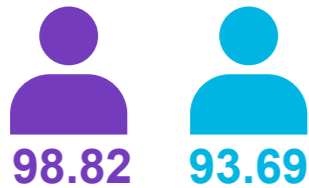
### DePuy International Ltd

**8.14%** Mean gender pay gap  
**6.11%** Median gender pay gap

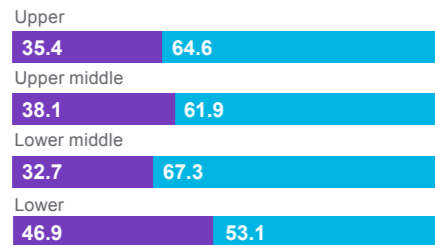
**21.66%** Mean bonus pay gap  
**4.12%** Median bonus pay gap

Proportion of women and men paid a bonus %

● Female  
 ● Male



Population by pay quartiles %

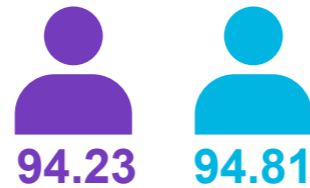


### Janssen Cilag Ltd

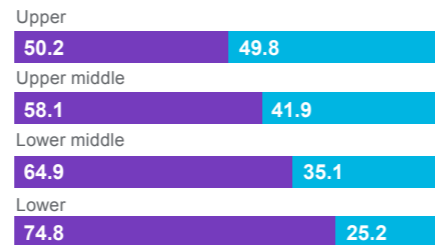
**15.47%** Mean gender pay gap  
**10.72%** Median gender pay gap

**14.50%** Mean bonus pay gap  
**23.89%** Median bonus pay gap

Proportion of women and men paid a bonus %



Population by pay quartiles %

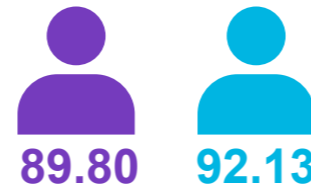


### Johnson & Johnson Consumer Services EMEA Ltd

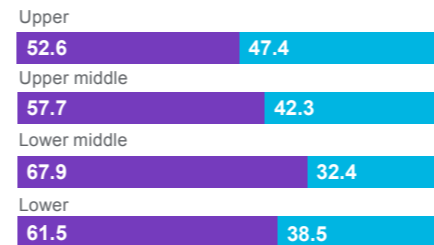
**13.94%** Mean gender pay gap  
**9.87%** Median gender pay gap

**42.43%** Mean bonus pay gap  
**27.53%** Median bonus pay gap

Proportion of women and men paid a bonus %



Population by pay quartiles %

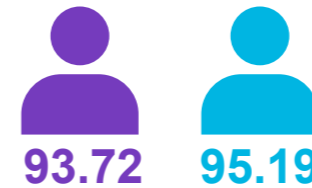


### Johnson & Johnson Ltd

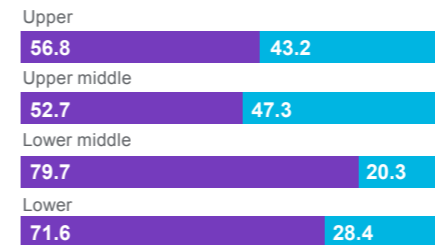
**16.14%** Mean gender pay gap  
**20.88%** Median gender pay gap

**25.77%** Mean bonus pay gap  
**23.71%** Median bonus pay gap

Proportion of women and men paid a bonus %



Population by pay quartiles %

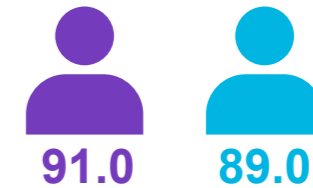


### Johnson & Johnson Medical Ltd

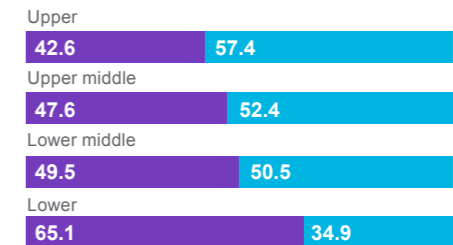
**14.67%** Mean gender pay gap  
**12.97%** Median gender pay gap

**20.51%** Mean bonus pay gap  
**31.75%** Median bonus pay gap

Proportion of women and men paid a bonus %



Population by pay quartiles %





# 2

## Why is there a gender pay gap?

As in previous years, the gender pay gap and bonus pay gap reflect multiple challenges. Reviewing our own data, we have identified two key points that continue to explain why there is a gap:

- **More men in senior positions:** Like many businesses in the UK, we face a challenge with the number of women compared to men in senior roles. This is a central reason for the reported gender pay gap in our UK businesses.
- **Challenge with Science, Technology, Engineering and Math (STEM) recruitment:** Engaging women into STEM roles continues to be a challenge for Johnson & Johnson, as seen in our industry, as well as more broadly across the UK.

A third factor impacts our bonus gap figures: the number of women in part-time positions. In 2019, we had 203 women in part-time working positions across our entities, compared to 11 men in part-time roles. The reported bonus pay gap compares bonuses for full-time and part-time employees without taking into account this difference. While the number of women in part-time positions impacts our bonus gap figures, the availability of innovative benefits, including part-time and other flexible work arrangements, is an important part of our talent strategy. We continually strive to enable employees and their families to receive the support they need.

It is our continued belief that addressing these challenges will positively impact our gender pay gap. It's also why we are focused on addressing these challenges with a multi-dimensional approach.



# 3

## Our strategy

### A multi-dimensional approach to fostering an inclusive culture, for all people

Our three-pronged approach, built on feedback from our colleagues through our biannual “Our Voice Survey,” continues to drive forwards our commitment to reaching gender parity.

1

Ensure personal and career development is supported at all levels

2

Do our absolute best to make our business attractive and inclusive

3

Increase talent pool of women at entry level



Gaëtan Leblay

Managing Director  
Janssen UK & Ireland

I believe there is no better way for us to understand and meet the needs of our patients and customers than to have a diverse workforce that reflects the communities in which we live and work. I am very proud that at Johnson & Johnson we go to such lengths to create an inclusive environment. It not only helps us to celebrate our differences, it also enables us to have an even greater impact.



# 3

## Our strategy

### 1 Ensure personal and career development is supported at all levels

We remain focused on growing, nurturing and propelling groundbreaking women leaders to transform healthcare.

We have developed and continue to evolve a number of programs and initiatives to ensure career development is supported at all levels, from our Women's Leadership & Inclusion (WLI) employee resource group which celebrates 25 years in 2020, through to our unconscious bias training.

Our WLI program is one of our largest and longest-standing employee resource groups, committed to the development, advancement and retention of women leaders with a vision to “achieve gender equality across our businesses globally to enhance our competitive advantage and fuel the future of human health.”

The group has more than 5,000 members and continues to grow. In 2019, our Global Talent Management team partnered with WLI to create a customized mentoring program for women across the business.

We re-launched ASCEND in 2018 as a global accelerated development program—designed to accelerate the growth of high-potential, high-performing mid-level diverse talent into more senior roles. It helps participants lead with greater impact by being authentic, agile and strategically purposeful in ways that are unique to them. Since 2018 there have been 170 participants in ASCEND globally, with a further 85 planned for 2020. 28% of the 2018 global cohort have achieved growth through a promotion, cross-function, cross-sector or cross-region move since starting the program, and over 75% of graduates believe the program has given them an advantage in pursuing a more senior leadership role.

In 2017, we engaged with Professor Mahzarin Banaji of Harvard University to provide an “Unconscious Bias” training program to all our people leaders. Since then, we have continued to roll-out that training, most recently expanding it across our supply chain. The training has been completed by over 105,000 employees globally.

In addition to programs focused on supporting the development of leadership skills, we actively train our employees in the principles of Energy for Performance in Life®, a training program developed by the Johnson & Johnson Human Performance Institute®. The program, which helps to increase employee performance and retention, takes a multi-dimensional approach to teach people how to be more spiritually nourished, physically focused and direct their energy towards what is purposeful in life. We are well on our way to our goal of training 100,000 employees in EPIL by 2020, with more than 92,000 involved so far.





# 3

## Our strategy

### ② Do our absolute best to make our business attractive and inclusive

We aspire to change the trajectory of health for humanity, and our goal for 2020 and beyond is to lead by example and cultivate the world's healthiest workforce.

We have many programs in place to help us achieve that goal—both in and out of the office. We believe that by engaging, empowering, and investing in our employees to achieve their personal best, we create a virtuous cycle that pays us all back.

It is for this reason that we offer innovative benefits that further enable our employees and their families to receive the support they need to maintain physical, mental and financial wellbeing. We are incredibly proud

of these innovative benefits and our broader programs, which in 2019 earned us first place on *Working Mother's* 100 Best Companies List in 2019, as well as first place on *Vitality's* list of Britain's Healthiest Workplaces.

We are immensely proud of our culture and the recognition we've received:



Listed as #1 on *Working Mother's* 100 Best Companies List in 2019



Listed #1 among large companies on *Vitality's* 2019 list of Britain's Healthiest Workplaces



# 3

## Our strategy

### ② Do our absolute best to make our business attractive and inclusive (continued)

As of 2017, we offer a global standard for Parental Leave, where our employees across the globe are eligible to take a minimum of eight weeks' paid parental leave for birth or adoption. Additional family benefits include surrogacy and fertility support, adoption support, support for children with special needs and childcare.

Employees who take approved leave, including parental leave, are eligible under our compensation programs for full annual merit increases, without being pro-rated to take into account the time on leave. We recognize that pro-rating annual merit increases over time can impact women's compensation disproportionately, particularly when an employee might have multiple periods of leave.

We are very proud to have launched our assisted reproduction program in 2019, supporting both men and women with IVF in the UK.

We embrace inclusion and want every employee to be who they truly are. That's why we've enhanced our private healthcare scheme to offer access to virtual GP appointments, coverage for gender dysphoria and support anyone who's struggling with their sense of identity. Last year, we also extended our Employee Assistance Program to family members. This along with other mental health programs are a key part of our employee benefits.

We believe all this helps attract and retain diverse talent across our businesses. We are proud to report our global retention rate in 2019 is a reflection of this, with 88% of parents returning to work after parental leave.





# 3

## Our strategy

### 3 Increase talent pool of women at entry level

We want to increase representation of women in science and technical fields by building partnerships to open new doors, create inspiring moments to honor women in STEM2D (Science, Technology, Engineering, Math, Manufacturing and Design), playing the part of role models and mentoring women throughout the fundamental stages of their lives.

In 2015 we launched our WiSTEM2D initiative. WiSTEM2D stands for Women in Science, Technology, Engineering, Math, Manufacturing and Design. Over the last five years across the globe, we've engaged over 600,000 girls internally through WiSTEM2D

activities and impacted 5.4 million girls through long-term programming and STEM2D curriculum implementation alongside partners like Girlguiding and Junior Achievement.

Further, to discover diverse perspectives, we recognize the need to start much earlier in the pipeline—with secondary school and universities. Since its beginning more than 25 years ago, our Bridge to Employment (BTE) program readies secondary school students in disadvantaged communities for university. It inspires young talent around the globe to stay in school, excel academically and pursue a career in health. According to a 2017 FHI360 survey of BTE alumni (or BTE graduates) 92% said BTE influenced education decisions, and of the graduates currently working, 83% are employed in a STEM2D career. In the UK in 2019, Johnson & Johnson employees gave over 650 hours supporting 68 students through the BTE program.





Our mission is to make diversity and inclusion our way of doing business. We will advance our culture of belonging where open hearts and minds combine to unleash the potential of the brilliant mix of people, in every corner of Johnson & Johnson.

*Johnson & Johnson*