

J&J Belgium CSRD implementation

Impact through purpose and innovation

Tom Aelbrecht
Head of Sustainable Business
Strategy & Reporting

May 8, 2024

Johnson & Johnson
Innovative Medicine



Tom Aelbrecht

Who am I?

- Head of Sustainable Business Strategy & Reporting (J&J Belgium)
- Member of the Board of Directors JPNV
- Chair of the JPNV Works Council

- MSc Computer Science – UAntwerp
- Executive Master in Innovation & Entrepreneurship – Vlerick

- 25 years Janssen / J&J
- 3 years Alcatel (now Nokia)

- Member of the Board FlandersBio (since 2017)
- Member of the Board VOKA Kempen-Mechelen
- Member of the General Assembly VIB
- Member of the Investment Committee Industrial Scale-Ups PMV

- Married, 4 kids, 5 goats, 2 chickens, 1 cat and 1 rabbit



“
We believe our first responsibility is to the patients, doctors and nurses, to mothers and fathers and all others who use our products and services.



Johnson & Johnson: a remarkable legacy and an exciting future



18 medicines

on the WHO Essential Medicines List

Recognized by Forbes as a

Best Employer for Diversity

Named to CDP** Climate Change and Water Security

A Lists



1 of only 2
AAA-rated
companies globally



FAST COMPANY

Top 10 best workplaces for innovators



\$50 million

commitment to support frontline health workers battling COVID-19 guided by the Center for Health Worker Innovation

~ one billion

people use our products everyday

Global Public Health

Ranked #3 on the 2018 Access to Medicine Index

Top 30

Fortune's list of Most Admired Companies

32%

Reduction in CO₂ emissions since 2010

58

consecutive years of dividend growth

Our business segments

**Johnson & Johnson
Innovative Medicine**



**Johnson & Johnson
MedTech**

With 137 years of experience delivering transformative solutions

#2

Ranked pharma company for R&D investment in 2022¹

>\$15.0B

Invested in research and development (R&D) across our businesses¹

\$85.2B

2023 Total worldwide sales¹

~110K

Dedicated employees worldwide

>500M

Patients globally treated with our products in 2023¹

\$1B+

Sales in 2022 from 29 brands and platforms¹



Relation between SDG and ESG



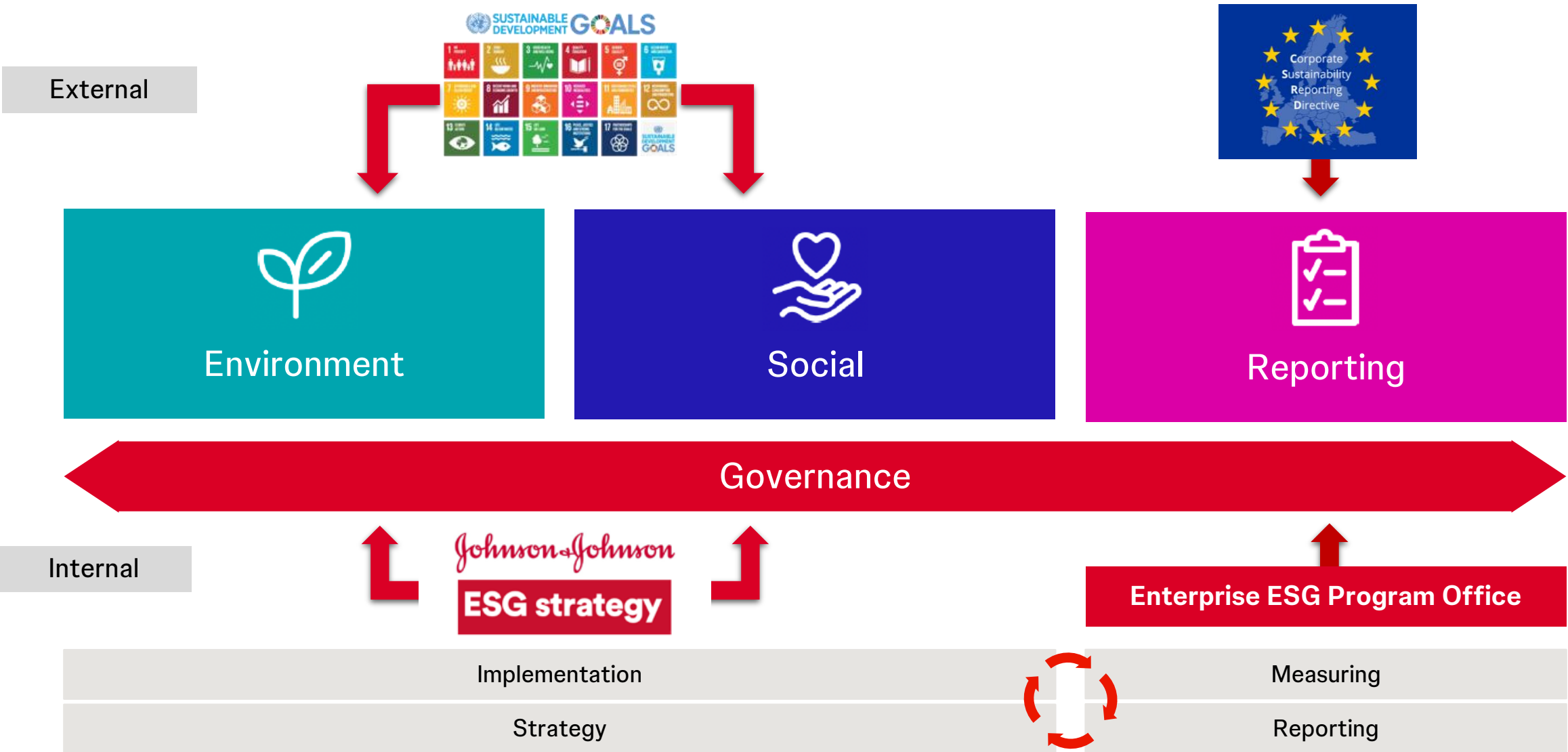
SDGs are part of the United Nations 2030 Agenda for Sustainable Development. They are a series of 17 goals to be completed by 2030. They are **the framework for transitioning to a new global circular economy**. These include things like creating sustainable economies, universal education and saving our water supply.

Guiding all stakeholders

ESG is a way of **assessing companies** on their environmental, social and governance performance while also considering financial returns. It has become increasingly popular with investors who want to invest responsibly while still making a profit. And it the guidelines by which to hold companies accountable for their actions.

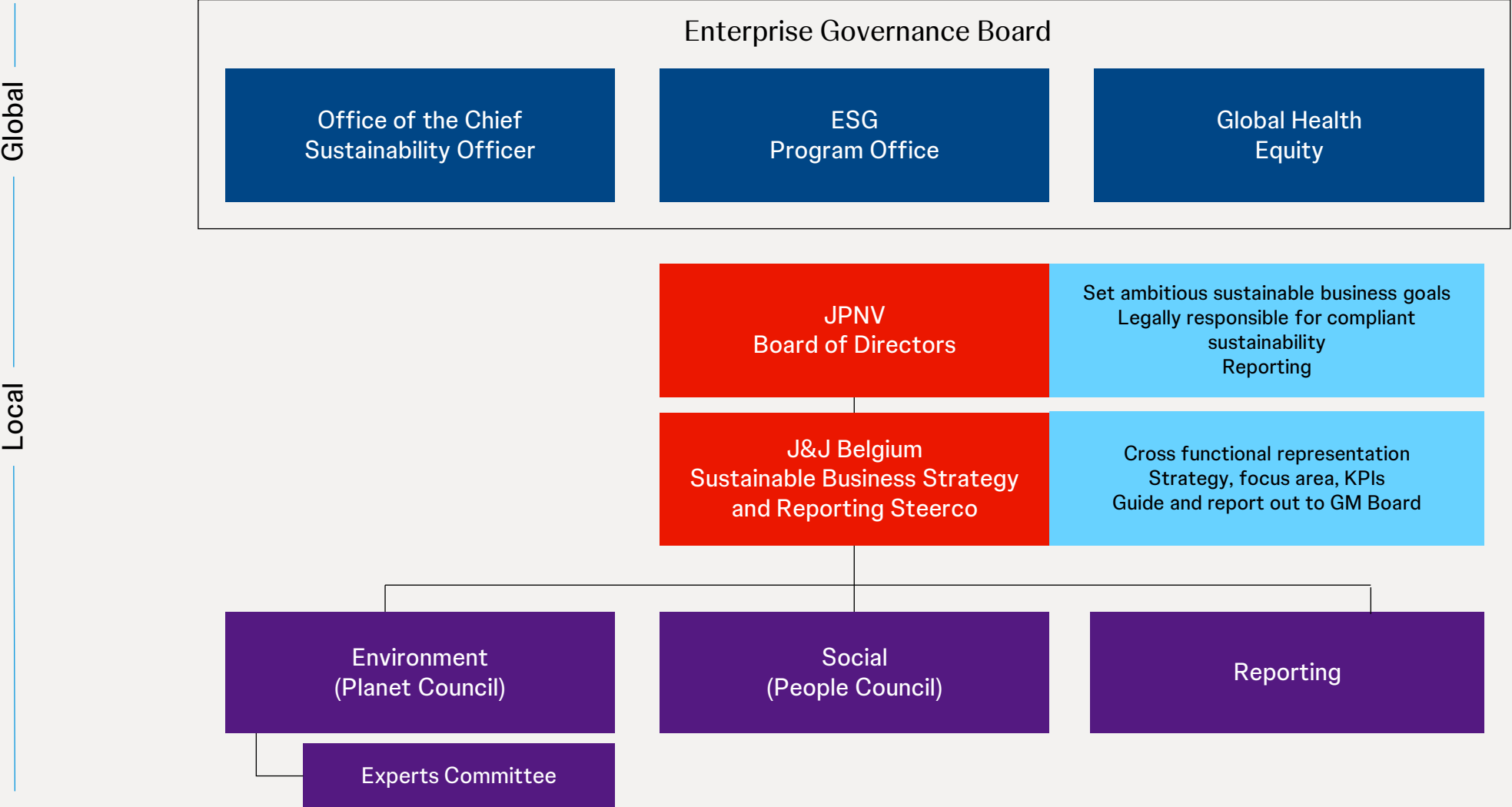
Measuring business

J&J Belgium Sustainable Business Strategy



Belgian Campus Governance

Way of working



From ambition to integration

J&J Belgium Focus Areas

People



Gender equality in management

By 2025, achieve 50% of women in management positions on campus

Internationals on campus

By 2025, achieve 18% international talent in our workforce on campus

Pay equality in higher management positions

By 2025, reduce the average pay gap in higher management positions on campus below 5%

Women in stem2d

By 2025, engage ten thousand girls in STEM2D activities.

Children in stem2d

By 2025, engage thirty thousand children in STEM2D activities.

Planet



Renewable electricity

By 2025, source 100% of our electricity needs from renewable sources

Product circularity

By 2025, establish at least 10 partnerships that advance product development towards product circularity

Water management

By 2030, 100% of wastewater is being recycled and reused in operations

Carbon reduction for our operations

Reduce absolute Scope 1 & 2 GHG emissions 44% by 2030, from a 2021 base year. 80% of J&J suppliers by emissions covering Purchased Goods and Services and Upstream Transportation and Distribution will have science-based targets by 2028*



Johnson & Johnson

2022 Health for Humanity Report

Scientist Jan G. is shown working in Johnson & Johnson's molecule library, which stores more than 1.7 million unique compounds. Our scientists can access this library to order compounds for R&D activities at Johnson & Johnson. Photo by Frederik Beyens.

ESG Data Summary*

SOCIAL: Global Health Equity	Unit	2022	2021	2020
Products on the WHO List of Prequalified Medicinal Products and Vaccines	#	8	8	6
Patients provided access to MDR-TB treatment**	#	133,636	135,493	133,565
Cumulative doses of VERMOX (mebendazole) donated since the start of the initiative through the WHO and private donations	billions	2.2	2.0	1.8
Total value of Johnson & Johnson products provided to communities impacted by natural disasters	million \$	\$23.20	\$6.69	\$1.86
Total value of Johnson & Johnson products and cash contributed globally	million \$	\$4,292	\$2,738	\$2,567

SOCIAL: Our Employees	Unit	2022	2021	2020
Total employees	#	153,677	144,315	136,360
Total new hires	#	24,940	22,543	13,594
Gender representation of global employees	# of women	76,874	70,774	65,526
Women in management positions**	%	49.0%	48.0%	46.4%
Ethnic/racial diversity in management positions in the U.S.**	%	36%	34%	Not reported
Managers and above moved across functions, country or business segment lines	%	46.2%	45.8%	44.6%
Overall voluntary turnover	%	9%	8%	5%
Employee learning and development investment	million \$	\$112	\$150	\$108
Total Recordable Injury Rate	%	0.23	0.27	0.24
Lost Workday Case rate	%	0.06	0.05	0.05
Fatalities	#	0	0	0

ENVIRONMENT: Environmental Health	Unit	2022	2021	2020
Total energy use	TJ	11,800	11,947	11,954
Energy intensity ratio	TJ/billion \$	124	127	145
Electricity generated from renewable sources**	%	67%	52%	54%
Total Scope 1 + Scope 2 GHG emissions	MT CO ₂ e	683,188	753,270	742,895

ENVIRONMENT: Environmental Health (Cont.)	Unit	2022	2021	2020
Percentage decrease in GHG emissions intensity (Scope 1 + Scope 2) by revenue compared to 2016 baseline	MT CO ₂ e/ million \$	56%	50%	44%
GHG emissions intensity (Scope 1 + Scope 2)	MT CO ₂ e/ million \$	7	8	9
Absolute reduction in GHG emissions – Scope 3 (upstream) vs. 2016 baseline**	%	11% increase	1% increase	Not reported
Total water use in areas of high or extremely high baseline water stress	million m ³	4.42	4.45	Not reported
Total waste diverted from disposal	MT	156,950	166,645	158,309
Total waste directed to disposal	MT	28,541	28,192	25,250
Manufacturing and R&D sites certified to ISO 14001	%	91%	89%	96%
LEED-certified Johnson & Johnson buildings	#	68	67	60

GOVERNANCE: Accountability & Innovation	Unit	2022	2021	2020
Total tax contribution	billion \$	\$13.7	\$13.1	\$12.0
R&D investment	million \$	\$14,603	\$14,714	\$12,159
Women in Board composition	%	50.0%	35.7%	35.7%
Ethnic/racial diversity in Board composition	%	25.0%	21.4%	21.4%
Sales and marketing employees who completed HCC training	%	97%	97%	96%
Employees covered by collective bargaining agreements	%	30%	30%	23%
Total Global Impact Spend**	billion \$	\$5.88	\$5.22	Not reported
FDA inspections that resulted in zero observations	%	63%	56%	80%
Participation of suppliers in CDP Supply Chain Climate program	%	85%	82%	80%
Product recall rate by business segment				
Pharmaceutical	%	0.003%	0%	0%
MedTech	%	0.005%	0.059%	0.034%
Consumer Health	%	0%	0%	0%

* For full details of our performance and notes on all data points, see our [ESG Performance Data](#).

** Represents progress against a Health for Humanity 2025 Goal. For more information, see our [Health for Humanity 2025 Goals Scorecard](#).

The European Union's Corporate Sustainability Reporting Directive will have broad impact. Approximately 50,000 undertakings will be required to report, including thousands of U.S.-based multinationals and their EU subsidiaries. Reporting obligations for these entities will be created under EU member state national legislation adopted pursuant to the CSRD. **EU member states have until July 6, 2024 to transpose the CSRD into their national laws.**

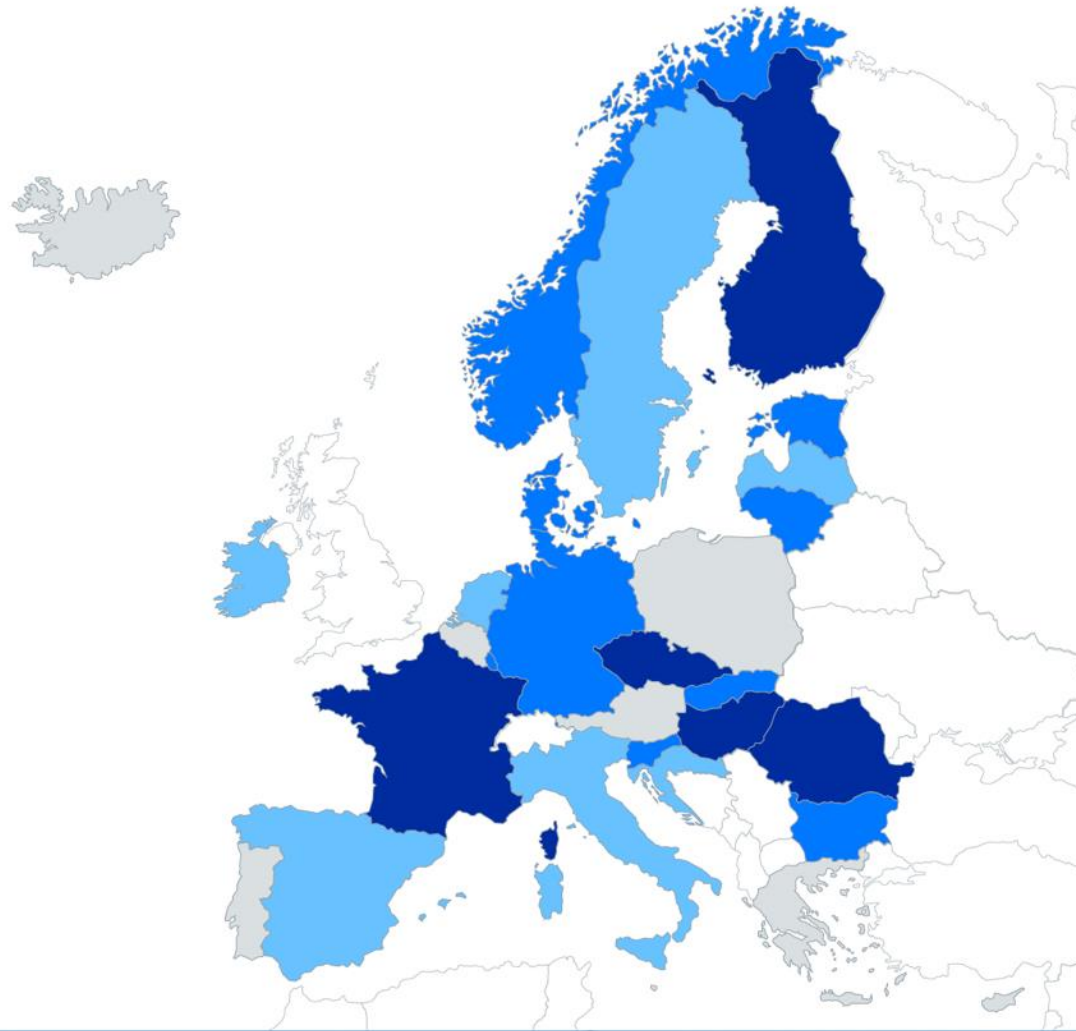
As a leading global ESG compliance and disclosure advisor to multinationals and asset managers, Ropes & Gray is a resource for important ESG developments throughout the world that impact our clients.

We are pleased to present this regularly updated tracker in conjunction with leading law firms across Europe.

Current Stage:




27 EU Member States and 3 EEA EFTA Countries



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EU Member State	Status - blank if not yet occurred (click checkmark for source material)			Gold-Plating ¹				Commentary	Contributing Law Firm
	Consultation Held	Implementing Legislation Introduced	Implementing Legislation Approved	Implementation Timeline ²	Reporting Entities ³	Jurisdiction-Specific Reporting ⁴	Other ⁵		
Austria									Wolf Theiss
Belgium								Note that when transposing the NFRD, the Belgian legislature did not adopt the balance sheet and turnover thresholds set therein for "large enterprises". It lowered both thresholds, so that more companies have to comply with the NFRD.	GIDE
Bulgaria	✓	✓						On March 5, 2024, the Ministry of Finance published for public consultation the law package implementing the CSRD into national law. The package includes amendments to the Accounting Act, the Public Offering of Securities Act, and the Corporate Income Tax Act. The consultation will expire on April 5, 2024. It is also expected that soon a consultation will be held with respect to the relevant proposals to the Independent Audit Act.	Wolf Theiss
Croatia	✓								Wolf Theiss
Cyprus									Chrysostomides
Czechia	Links to the proposed and adopted legislation for the 1st phase	✓	✓					The Czech Republic has chosen a phased approach to implementation, aligning with the CSRD's timeline. The first phase, implemented as a minimum requirement, is part of the legislation that became effective on January 1, 2024 and targets companies already obligated to report under the NFRD.	Wolf Theiss
	✓	✓	Links to the consultation and legislation proposed for the 2nd phase						
Denmark	✓	✓			✓			There are no plans to change the scope of the current Danish Financial Statements Act, which means that the scope of the CSRD is expanded compared to the Directive, as the rules on sustainability reporting will also include, for example, Danish commercial foundations and limited liability co-operatives.	 Gorrissen Federspiel

External Engagements

Belgian Trade Organizations

pharma.be



EU Trade Organizations



FODs and Government Institutions



Our DNA in action

Three guiding principles for decision making



Innovation



Patient value



Sustainability

Thank you

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If you have more questions, please contact:
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