

UK Gender Pay Gap

Report 2023

A message from Liz Keane



Johnson & Johnson has been on a transformational journey over the last year, sharpening our focus on MedTech and Innovative Medicine.

In 2023 we completed the separation of our consumer division, Kenvue, and celebrated our transition to focus on healthcare innovation. In this, our seventh consecutive Gender Pay Gap report, we reflect on both the changes within our business and our continued progress towards gender equality.

While we have a legislative requirement to publish an annual Gender Pay Gap Report, doing so strongly aligns with our Credo, which continues to guide us to ensure a diverse, equitable and inclusive working environment.

In the following pages, we reflect on our numbers, and whilst we are pleased to see some positive progress on our gender pay gap range, we recognize we still have work to do in some areas. We will continue to focus on these through a range of initiatives that you can read more about below.

For us, Diversity, Equity & Inclusion is a business imperative. We believe in the power of equity to shape a better business environment and healthier world and remain committed to closing the pay gap with consistent and sustained action over time.

Liz Keane

Head of HR for Northern Europe (UK, Ireland & Nordics)

Johnson & Johnson UK

At Johnson & Johnson, we believe health is everything. We are building a world where complex diseases are prevented, treated, and cured. Where treatments are smarter and less invasive. And solutions are personal.

In January 2023, we completed the separation of our consumer division, Kenvue, and later in the year celebrated the global unveiling of our updated J&J Brand, marking the beginning of a new era for our business, with a sole focus on healthcare innovation. As a focused healthcare company, with expertise in Innovative Medicine and MedTech, there are specific areas where we uniquely impact health in a way that only J&J can. We have the expertise to solve the toughest health challenges, innovate through science and technology, and transform patient care.

We are uniquely positioned to innovate across the full spectrum of healthcare solutions today to deliver the breakthroughs of tomorrow and aim to make more progress impacting health for humanity in the next decade, than we have in the last century of Johnson & Johnson.



About the Gender Pay Gap Report

At Johnson & Johnson, Our Credo reflects our belief in fair compensation and equal employment opportunities, development, and advancement for all. We are committed to rewarding employees in a fair, equitable and consistent way worldwide. When it comes to equal pay, our policy, in accordance with legal requirements, is to pay all our employees in line with their career level and experience, irrespective of gender.

In 2017 the UK government introduced legislation requiring all organisations with more than 250 employees to publish their gender pay gap annually.

The gender pay gap is different from equal pay

It is important to note that the gender pay gap is different than equal pay:

- The **gender pay gap** is the difference in the average hourly pay of women compared to men in a business, without considering job function, job level, qualifications, performance and experience.
- **Equal pay** analysis compares the pay of employees performing the same or similar jobs.

There are three legal entities that are reflected in our UK Gender Pay Gap report:

- Within J&J MedTech we have **DePuy International Ltd.** and **Johnson & Johnson Medical Ltd.**
- Under our Innovative Medicine focus we have **Janssen Cilag Ltd.**

Through our expertise in both Innovative Medicine and MedTech, we are uniquely positioned to innovate across the full spectrum of healthcare solutions today to deliver the breakthroughs of tomorrow.

Our gender pay gap data

Our 2023 report reflects gender pay gap data as of April 5, 2023, for Johnson & Johnson’s three legal entities in the UK with more than 250 employees. These companies are **DePuy International Ltd.**, **Johnson & Johnson Medical Ltd.** and **Janssen Cilag Ltd.**

	DePuy International Ltd.		Janssen Cilag Ltd.		Johnson & Johnson Medical Ltd.	
	Mean	Median	Mean	Median	Mean	Median
Gender pay gap	4.97%	7.41%	15.30%	11.42%	12.45%	13.00%
Bonus pay gap	-14.47%	9.45%	46.20%	30.72%	28.95%	33.55%

% of males & females receiving a bonus payment 2023

Female	98.29%	96.90%	94.98%
Male	97.45%	98.51%	94.18%

Pay quartiles 2023	DePuy International Ltd.		Janssen Cilag Ltd.		Johnson & Johnson Medical Ltd.	
	Female	Male	Female	Male	Female	Male
Upper % of ees.	40.4%	59.6%	52.0%	48%	40.4%	59.6%
Upper middle % of ees.	38.0%	62%	61.3%	38.7%	48.3%	51.7%
Lower middle % of ees.	34.3%	65.7%	63.8%	36.2%	53.1%	46.9%
Lower % of ees.	53.0%	47%	74.5%	25.5%	62.2%	37.8%

Understanding the numbers

Across our reporting companies in the UK, our mean Gender Pay Gap in 2023 ranges from 4.97% to 15.30%. In 2022 our GPG was 1.13% to 17.59%. Our mean bonus gap ranges from -14.47% (in favour of women) to 46.20%. In the previous year this was 1.21% to 38.17%.

It is important to note that due to the change in legal entity structure following the Kenvue separation, for 2023, we are reporting data for three of our legal entities, compared to four in 2022.

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 0.87% to 3.40%, and our bonus pay gap drops to a range of 3.91% to 11.81%.



Why is there a pay gap

The composition of our workforce remains the main driver of our pay gap. In our analysis, we have identified three main areas where gender distribution is impacting the gender pay gap and bonus pay gap.



More men in senior positions, with a longer length of service

Like many businesses in the UK, our analysis shows we face a challenge with having a gender balance in senior positions, with a higher number of men in senior roles. We have continued our effort to increase female representation in senior roles and have seen significant progress.



Continuing challenge to recruit women into Science, Technology, Engineering and Mathematics (STEM) roles

Within our entities, and more broadly across the UK, there is a challenge with recruiting women into STEM roles. As part of our continued efforts in this space through programmes like WiSTEM²D, in 2022 we recruited over 50 new students and apprentices – of whom over 70% were female.



Bonus pay reporting requirements

The bonus pay gap compares bonuses for full-time and part-time employees without taking into account the difference between both groups. Across our entities, there are more women in part-time working positions than men. Specifically, across our three reporting entities there are 105 females working part time, compared with 14 males. 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.

Our approach to fostering an inclusive culture

We remain passionate about promoting an inclusive culture for all and recognise that meaningful change takes time. Our efforts focus on delivering lasting improvements through a three-pronged strategy:

- 01 Ensure personal and career development is supported at all levels
- 02 Continue making our workplace attractive and inclusive
- 03 Continue to increase the pipeline of future leaders



01

Ensure personal and career development is supported at all levels

We know that every career at Johnson & Johnson is different, and each of us is unique in how we learn and grow. We have established mentoring, training, and development programmes to ensure we retain and progress talented women and men within Johnson & Johnson. These programmes provide leadership and growth opportunities for all career levels.

Our 2025 Health for Humanity aspirational goals include achieving 50% women in management positions globally. We are close to achieving this goal with 49% of management positions held by women globally.

Women's Leadership & Inclusion

Through our Women's Leadership & Inclusion (WLI) employee resource group, 5,000 employees connect and network across our global companies, supporting each other's development. WLI fosters an inclusive mindset and environment that enables all employees to understand the imperative for, and contribute to, creating a gender-diverse workforce. Their goal is to provide resources that facilitate a culture that enables women to connect and engage across the enterprise, to develop skills and to achieve their full professional and personal potential.

Delivering a new learning ecosystem

Our new global learning and development ecosystem, J&J Learn, is designed to democratise learning by providing equitable access to skills, mentors and personalised learning content. The platform provides employees with an extensive content library that can be accessed anytime, anywhere.

Healthcare Businesswomen Association

Alongside J&J Learn, Johnson & Johnson has been sponsoring Healthcare Businesswomen's Association (HBA) for 25 years to help advance women into positions of influence and decision-making to improve health equity and outcomes. Johnson & Johnson has made HBA membership available for all employees to support personal and professional growth.

Energy for Performance®

We continue to provide Energy for Performance® training, grounded in science and behavioural psychology, to help people build energy capacity and personal resilience at work and beyond. Over 100,000 Johnson & Johnson employees have attended this unique transformational experience designed to offer tools and strategies to optimise energy, build personal resilience and live with purpose.

Advanced Leadership Development

At Johnson & Johnson, we're building a diverse and impact-focused culture where potential is recognized, and personal strengths are enhanced. Our global development programme, ASCEND, is designed to develop high-potential, high-performing mid-level women. It equips participants to lead with more significant strategic impact and presence in ways unique to them.

02

Continue making our workplace attractive and inclusive

Supporting the health and well-being of our employees is rooted in Our Credo and we have a long history of caring for the health of our employees and their families. This year we once again improved our benefits and programmes to support employee health and well-being through the roll out of several new initiatives.

We have also continued our work to ensure we provide an inclusive work environment where each person is considered as an individual.

Global Paid Leave Enhancements

In July 2023, we introduced our global paid leave enhancements for caregiver, bereavement, and volunteer paid leave across the entire organization. These changes add to our existing employee value proposition and set a minimum standard for improving benefit parity around the globe. We also continue to be proud of our paid parental leave benefits for employees around the world, with 12 weeks of paid leave covering maternal, paternal, adoptive, surrogacy-assisted and foster parents.

Global Well-Being Reimbursement

Another way Johnson & Johnson supports employees' well-being is through our global well-being reimbursement, so employees can be at their personal best no matter where they are: at work, at home or on the go. The reimbursement offers employees up to £425 per year for taking care of their well-being, including healthy movement, healthy eating and healthy mind.

Menopause Support

We have recently enhanced our benefits program by introducing comprehensive menopause support as part of our Health Insurance. Menopause is a natural part of life but can present challenges and difficulties that impact both personal and professional lives. We firmly believe in supporting our female employees through this significant life transition, by ensuring they have access to the

resources and assistance they need. Menopause support offers a range of bespoke services that revolve around menopause, including consultation and 24/7 healthline access.

Employee Assistance Programmes and CARE

Our Employee Assistance Programs and CARE (Confidential. Accessible. Responsible. Engaged.) services connect employees to professional assistance on a broad range of topics. From mental health support to professional life coaching and work-life services (i.e., elder/adult care, travel, childcare, education, pet care, household services and parenting), employees can easily navigate to the support they need.

Strengthening Our Culture of DE&I

We have strengthened our culture of diversity, equity and inclusion. We are reimagining talent strategies using the latest DE&I recruitment technology and ensure we build diverse interview panels. We strive to proactively attract candidates from diverse backgrounds and reach the widest pool of talent through private and public institutions, university partnerships, diversity job boards, and engagement with DE&I associations. We also continue to deliver Conscious Inclusion training to People Leaders and all employees across Johnson & Johnson.

03

Continue to increase the pipeline of future leaders

We have long been committed to increasing the talent pool of women and have a number of programmes to attract new talent, particularly in the area of science, technology, engineering, mathematics, manufacturing and design (STEM²D). We have continued our efforts to recruit students and apprentices into our UK businesses.

STEM

Johnson & Johnson has responded to the diversity gap seen in the talent pool for career development in the UK, specifically for Black talent, by initiating the Johnson & Johnson STEM Scholars Program, which aims to break down barriers, ensure awareness of, and create access to, great careers in STEM and life sciences for high potential talent and aid in fostering a more inclusive future workforce.

Over the last 12 months, we have also continued our work with local site leads to empower colleague volunteering within local communities. Through this initiative, 13 career skills events were delivered in local schools, introducing STEM careers in the sector and at Johnson & Johnson to a broader group of young people.

WiSTEM²D

Our Women in Science, Technology, Engineering, Mathematics, Manufacturing and Design (WiSTEM²D) initiative is designed to advance gender equality in STEM²D professions, which will build a stronger pipeline of diverse talent in under-resourced professions and advance innovation in healthcare. Our WiSTEM²D Undergraduate Programme in the UK has reached 200+ female students in 2023.

Re-Ignite

Re-Ignite is Johnson & Johnson's global career re-entry program that offers experienced professionals who have taken a break from their career for two or more years the opportunity to return to the workforce with specialized onboarding, networking and development activities. Re-Ignite is a gender-inclusive program that, in 2022, officially expanded its focus to include returning professionals both in and outside of STEM²D roles.

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.

