

**UK Gender Pay Gap** Report 2022



## A message from Liz Keane



Our mission at Johnson & Johnson is to create a healthier world, and women have been an integral part of this mission since our founding 137 years ago.

While we have a legislative requirement to publish an annual Gender Pay Gap Report, doing so strongly aligns with our commitment to gender equality. It also aligns with Our Credo, which guides us to ensure a diverse, equitable and inclusive working environment that reflects the communities we serve.

We are pleased to see that our overall gender pay gap range has narrowed compared to 2021. While we welcome this decrease as a reflection of our continued efforts, our six years of reporting have also shown us that the pay gap can fluctuate based on the external environment and changes in our workforce.

We know that closing the pay gap is a complex fix. It requires meaningful, consistent, and sustained actions, and we are committed to taking such actions. Our report shows the important initiatives we are undertaking in Diversity, Equity and Inclusion (DEI), hybrid working and parental leave continue to drive this change.

There is a groundswell of collaborative action driving progress and collective improvement in our business, and we are doing all that we can to embrace and empower ideas put forward by employees to create a healthier, more equitable world.

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

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## About the Gender Pay Gap Report

The gender pay gap is the difference in average pay between men and women. 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

The gender pay gap is different from equal pay. The calculations in this report follow the UK Government gender pay gap reporting requirements, which compares pay for all employees in a business, irrespective of job function, banding, experience, performance, and length of service. Equal pay analysis compares the pay of employees performing the same or similar jobs.

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. Our policy is to pay all our employees in line with their career level and experience, irrespective of gender.

It is important to note that UK Gender Pay Gap legislative requirements are binary regarding gender, with reference to men and women. Whilst we are reporting our statistics in accordance with the legislation using Johnson & Johnson's self-identification data, we recognise and support all gender identities.

## Our gender pay gap data

Our 2022 report reflects	
gender pay gap data for	
Johnson & Johnson's four	
legal entities in the UK,	_
which have a headcount of	
more than 250 employees.	
These companies are <b>DePuy</b>	Ģ
International Ltd, Janssen	
Cilag Ltd, Johnson &	_
Johnson Ltd, and Johnson	В
& Johnson Medical Ltd.	

	DePuy International Ltd		Janssen Cilag Ltd		Johnson & Johnson Ltd		Johnson & Johnson Medical Ltd	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Gender pay gap	<b>1.13</b> <sup>%</sup>	<b>-0.38</b> %	15 <b>.70</b> %	<b>10.48</b> <sup>%</sup>	<b>17.59</b> %	<b>12.78</b> <sup>%</sup>	<b>11.02</b> <sup>%</sup>	10.69%
Bonus pay gap	<b>1.21</b> <sup>%</sup>	10.02%	<b>34.39</b> %	<b>29.11</b> <sup>%</sup>	<b>38.17</b> %	<b>33.68</b> %	<b>29.22</b> %	<b>28.47</b> %
Proportion of women and men paid a bonus:								
Female	100 <sup>%</sup> 98.7 <sup>%</sup>		99.05 <sup>%</sup> 99.48 <sup>%</sup>		95.95 <sup>%</sup> 98.72 <sup>%</sup>		97.46 <sup>%</sup> 98.46 <sup>%</sup>	
Male								
Population by pay quartiles (%)								
Upper	40.6 39.6	59.4 60.4	47.6 59.9	52.4 40.1	56.7 63.3	43.3 36.7	40.6 50.9	59.4 49.1
Upper middle	34.4	65.6	62.8	37.2	68.3	31.7	51.2	48.8
Lower middle								

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Female



# Understanding the numbers

The mean gender pay gap across all reporting entities ranged from 1.1% to 17.6% in 2022. **This is an improvement on the range of 2.1% to 21.2% in 2021**. Our mean bonus gap in 2022 ranged from 1.2% to 38.2%, **improving on the range of 15.2% to 46.5% in 2021**.

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 -1.5% (favouring women) to 1.4%, and our bonus pay gap drops to a range of -4.8% (favouring women) to 14.6%.

#### Why there is a pay gap

The composition of our workforce remains the main driver of our pay gaps. 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, and we continue to have 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. STEM positions are essential for our business and addressing the gender imbalance in these roles continues to be a focus area for us through our WiSTEM2D programme.
- 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 four reporting entities there are 166 females working part time, compared with 12 males.

# Our approach to fostering an inclusive and equitable future for all



We are committed to fostering a truly inclusive and equitable future. We believe that there is power in belonging and that we all perform at our best when we can be our authentic selves. While we are pleased with the progressive steps we have taken to lay strong foundations to create a truly inclusive and equitable place to work, we remain committed to doing more to accelerate our progress and impact.

Our three-pronged approach to reaching gender equality is built on insights from our employees in our biennial "Our Voice" survey.



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supported at all levels

Ensure personal and career development is

Do our best to make our workplace inclusive and appealing to all talent

Increase the talent pool of women



We know that every career at Johnson & Johnson is different, and each of us is unique in how we learn and our growth aspirations. 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, and we are committed to doing more in 2023.

In our Health for Humanity 2025 Goals, we committed to achieving 50% of women in management positions globally by 2025, and we are on track towards our goal. In 2021, 48.3% of our female employees globally were holding managerial and director positions, versus 46.8% in 2020. In addition, in 2021 38.9% of our females were holding VP positions, versus 35.3% in 2020.

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. Both male and female employees help drive our WLI vision at Johnson & Johnson. Through WLI's

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

Male Advocacy & Allyship Pillar, male allies across the business get involved in driving initiatives, such as Lunch & Learn sessions that raise awareness of the importance of allyship and provide practical steps for supporting female colleagues.

We have expanded our Enterprise Sponsorship program, which engages our most senior leaders to sponsor approximately 1,000 high-performing diverse leaders. 82% of those sponsored have had positive career movement within two years, including 45% promoted; 57% of those promotions were to a higher management level.

In July 2022, we launched J&J Learn, a new global learning and development ecosystem. Through J&J Learn, we aim to democratise learning and career development at Johnson & Johnson by providing equitable access to the skills, mentors and personalised learning content needed to help individuals grow in their current roles and chart a path to future positions. The new norms in the ways of working and engagement have also created more opportunities to take advantage of virtual learning. As part of Johnson & Johnson's commitment to help professional growth, it has provided free access to LinkedIn Learning to all employees. The platform offers access to an extensive content library that can be accessed anytime, anywhere to build new skills. Johnson & Johnson has been sponsoring Healthcare Businesswomen's Association (HBA) for 25 years to help advance the gender equity agenda. The core purpose of HBA is to advance women into positions of influence and decision-making to improve health equity and outcomes. Johnson & Johnson has made free HBA membership available for all employees to support personal and professional growth.

We continue to provide our Energy for Performance® training, grounded in science and behavioural psychology, to help our people build their 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.

Finally, our global development programme, ASCEND, designed to accelerate the growth of high-potential, high-performing mid-level women into more senior roles, equips participants to lead with more significant strategic impact and presence in ways unique to them. Over 95% of our 2022 graduates believe the programme will help them to pursue opportunities to advance their careers and leadership aspirations.

### Do our best to make our workplace inclusive and appealing to all talent

Johnson & Johnson has a long history of supporting family health because we believe that advancing health for humanity starts at home. As part of this, we are committed to helping our working parents balance their personal and professional responsibilities through a range of benefits and resources that support them at all stages of parenting, as well as strengthen our commitment to DEI. We have a strong track record of putting our people first, with international recognition as a top employer across many of our Europe Middle East and Africa (EMEA) markets.

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In July 2022, we increased our parental leave from 8 to 12 weeks of fully paid leave during the first year of birth, adoption or foster care. We're delighted to expand this leave and give new parents, including adoptive and foster parents, the precious gift of time—to celebrate, cherish and live in the moment as they bond with their newest addition to the family. We believe this additional time off for working parents will help them balance their personal and professional responsibilities while holding one of the most important and toughest jobs there is: being a parent. This benefit complements existing statutory or local leave policies, allowing our working parents to receive the most generous protection available. We have also enhanced our UK maternity leave policy to ensure that all our employees who pass their probationary period, can benefit from 20 weeks fully paid leave, regardless of their length of service.

As part of our commitment to supporting our female employees and providing an environment where they can thrive, we launched new initiatives to help women cope with the changes they experience with menopause and aid colleagues in supporting them through this natural life stage. According to research, 10% of women leave their jobs, and many more reduce their hours or pass up promotions because of their menopausal symptoms. These new resources include a new updated menopause specific site with manager and colleague support guides, menopause-trained nurses on our health-line and free cognitive behavioural therapy (CBT) courses to help employees to manage their symptoms. Our WLI employee resource group took action to help break the taboo surrounding this topic with a series of far-reaching live sessions and webinars. A highly engaged audience of 700+ male and female employees attended the sessions, and 100+ individuals contacted the WLI team to share their stories.

Research has shown that the pandemic heightened gender disparity in the workplace. Over the last two years, women are placing greater importance on working for companies that prioritise flexibility, employee well-being, and Diversity, Equity and Inclusion. In April 2022, we introduced J&J Flex - our new hybrid way of working, and we have now moved to its full implementation, where employees work up to two days remotely and three days or more on-site each week. As we continue to embed this new norm, we will continue to attract and retain talented women, enabling them to achieve their professional ambitions. Finally, we are pleased to have introduced our new Johnson & Johnson UK Transgender Policy in 2022 to support transgender and genderdiverse employees, their line managers and colleagues when navigating a gender transition in our workplace. We are proud that this policy and our broader support for colleagues has been recognised by various diversity and inclusion awards and are particularly proud that many of those DEI initiatives are driven by our employees.



## 03 Increase the talent pool of women

One way that we know we can help improve the trajectory of health for humanity is to bridge the gender gap so more women can shine, innovate and put their mark on the world.

As a business we run a number of programmes to attract a diverse talent pool.

Our WiSTEM2D programme is designed to build a diverse STEM2D community by enabling women's representation in STEM2D to reflect global demographics, improving healthcare and helping people everywhere live happier, healthier lives. The programme, which has reached over 830,000 girls and women across 25 countries in EMEA through over 4,500 volunteers, supports and inspires girls and women to pursue STEM2D studies and careers globally. In 2022, its annual Scholars' Award, which recognises female scholars and provides funding and mentorship for their research projects spanning STEM2D studies, received over 500 applications.

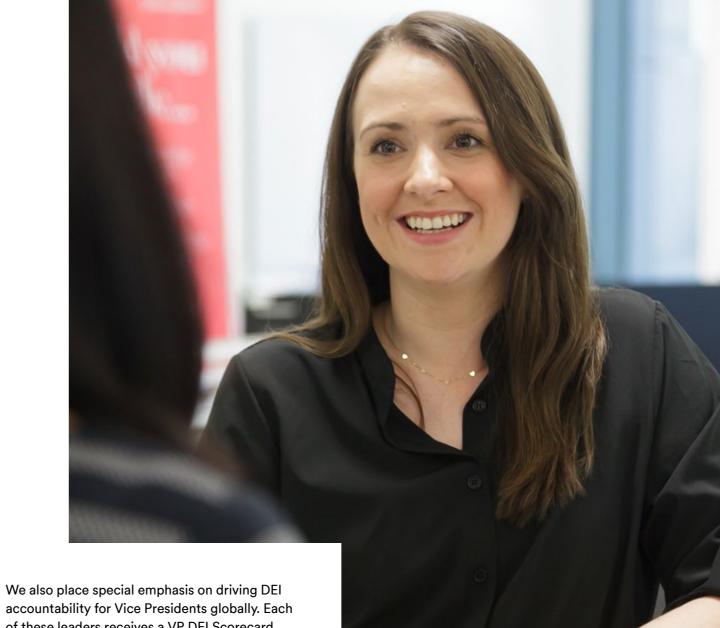
Our STEM Scholars Programme, launched in 2021 to support Black students studying STEM in further education, continues to go from strength to strength. The programme provides mentoring,

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workshops, work experience and student placements across our business. In 2022 the programme led to five workshops covering topics that included applying to university, interview skills, and networking, and facilitated the Johnson & Johnson London Innovation Centre team members supporting 25 mentees.

Finally, we scaled up our GROW Gigs programme, which provides skills development through short-term job role rotations and stretch assignments. Since its launch, the GROW Gig experience has become invaluable to career development and our diverse talent pipeline.

In addition, we have setup new and important practices to attract and hire talent. To attract diverse talent and increase diverse hiring opportunities, we are reimagining talent systems, using the latest DEI recruitment technology and ensuring we build diverse slates for every interview. 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 DEI associations.



We also place special emphasis on driving DEI accountability for Vice Presidents globally. Each of these leaders receives a VP DEI Scorecard, which incorporates both representation and inclusion measurements and links their goals to our Health for Humanity 2025 Goals. These VPs also participate in training on defining a diverse slate of candidates, creating a diverse interview team, and ensuring that job requirements are essential for the role.

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## Thank you.



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