February 7, 2022

Marc S. Gerber
Skadden, Arps, Slate, Meagher & Flom LLP

Re: Johnson & Johnson (the “Company”)
Incoming letter dated December 8, 2021

Dear Mr. Gerber:

This letter is in response to your correspondence concerning the shareholder proposal (the “Proposal”) submitted to the Company by Oxfam America, Inc. et al. for inclusion in the Company’s proxy materials for its upcoming annual meeting of security holders.

The Proposal asks the board to report on whether and how Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company’s public disclosures do not substantially implement the Proposal.

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Robert K. Silverman
Oxfam America, Inc.
Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we are writing on behalf of our client, Johnson & Johnson, a New Jersey corporation, to request that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with Johnson & Johnson’s view that, for the reasons stated below, it may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by Oxfam America, Inc. (“Oxfam”) and co-filers from the proxy materials to be distributed by Johnson & Johnson in connection

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1 The following shareholders have co-filed the Proposal: Achmea Investment Management, on behalf of Stichting Bewaarder Achmea Beleggingspools; Benedictine Sisters of Mount St. Scholastica; Benedictine Sisters of Virginia; Benedictine Sisters, Boerne, Texas; Benedictine Women of Madison; Bon Secours Mercy Health, Inc.; CommonSpirit Health; Everence Financial, on behalf of the Praxis Value Index Fund; PeaceHealth; The Daughters of Charity, Province of St. Louise; The Sisters of Charity of Saint Elizabeth; and Trinity Health.
with its 2022 annual meeting of shareholders (the “2022 proxy materials”). Oxfam
and the co-filers are sometimes collectively referred to as the “Proponents.”

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008)
(“SLB 14D”), we are emailing this letter and its attachments to the Staff at
shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are
simultaneously sending a copy of this letter and its attachments to the Proponents as
notice of Johnson & Johnson’s intent to omit the Proposal from the 2022 proxy
materials.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents
are required to send companies a copy of any correspondence that the shareholder
proponents elect to submit to the Commission or the Staff. Accordingly, we are
taking this opportunity to remind the Proponents that if they submit correspondence
to the Commission or the Staff with respect to the Proposal, a copy of that
correspondence should concurrently be furnished to Johnson & Johnson.

I. The Proposal

The text of the resolution contained in the Proposal is set forth below:

RESOLVED that shareholders of Johnson & Johnson (“JNJ”) ask the
Board of Directors to report to shareholders, at reasonable expense
and omitting confidential and proprietary information, on whether and
how JNJ subsidiary Janssen’s receipt of government financial support
for development and manufacture of vaccines and therapeutics for
COVID-19 is being, or will be, taken into account when engaging in
conduct that affects access to such products, such as setting prices.

II. Basis for Exclusion

We hereby respectfully request that the Staff concur in Johnson & Johnson’s
view that it may exclude the Proposal from the 2022 proxy materials pursuant to
Rule 14a-8(i)(10) because Johnson & Johnson has substantially implemented the
Proposal.

III. Background

Johnson & Johnson received the Proposal on November 4, 2021,
accompanied by a cover letter from Oxfam. On November 4, 2021, Johnson &
Johnson sent a letter to Oxfam requesting a written statement from the record owner
of Oxfam’s shares verifying that Oxfam had beneficially owned the requisite number
of Johnson & Johnson common stock continuously for at least the requisite period
preceding and including the date of submission of the Proposal (the “Deficiency
Letter”). On November 10, 2021, Johnson & Johnson received a letter from Fidelity Investments, dated November 9, 2021, verifying Oxfam’s continuous ownership of at least the requisite amount of stock for at least the requisite period preceding and including the date of submission. Copies of the Proposal, cover letter, the Deficiency Letter and related correspondence are attached hereto as Exhibit A. In addition, the co-filers’ submissions are attached hereto as Exhibit B.

IV. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(10) Because Johnson & Johnson Has Substantially Implemented the Proposal.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the “substantially implemented” standard in 1983 after determining that the “previous formalistic application” of the rule defeated its purpose, which is to “avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” See Exchange Act Release No. 34-29091 (Aug. 16, 1983) (the “1983 Release”); Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be “fully effected” provided that they have been “substantially implemented” by the company. See 1983 Release.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal when it has determined that the company’s policies, practices and procedures or public disclosures compare favorably with the guidelines of the proposal. See, e.g., Eli Lilly and Co. (Feb. 26, 2021)*; Devon Energy Corp. (Apr. 1, 2020)*; Johnson & Johnson (Jan. 31, 2020)*; Pfizer Inc. (Jan. 31, 2020)*; The Allstate Corp. (Mar. 15, 2019); Johnson & Johnson (Feb. 6, 2019); United Cont’l Holdings, Inc. (Apr. 13, 2018); eBay Inc. (Mar. 29, 2018); Kewaunee Scientific Corp. (May 31, 2017); Wal-Mart Stores, Inc. (Mar. 16, 2017); Dominion Resources, Inc. (Feb. 9, 2016); Ryder System, Inc. (Feb. 11, 2015).

In addition, the Staff has permitted exclusion under Rule 14a-8(i)(10) where the company already addressed the underlying concerns and satisfied the essential objectives of the proposal, even if the proposal had not been implemented exactly as proposed by the proponent. For example, in Oshkosh Corp. (Nov. 4, 2016), the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal asking the board to amend certain provisions of the company’s proxy access bylaw in accordance with the six “essential elements” specified in the proposal. In arguing that the proposal had been substantially implemented, the company explained that it had adopted three of the six proposed changes in the proposal. Although the proposal asked for the adoption of all of the proposed changes, the Staff concluded that the company’s bylaw

* Citations marked with an asterisk indicate Staff decisions issued without a letter.
amendments “compare favorably with the guidelines of the proposal” and that the company substantially implemented the proposal. Similarly in PG&E Corp. (Mar. 10, 2010), the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company provide a report disclosing, among other things, the company’s standards for choosing the organizations to which the company makes charitable contributions and the “business rationale and purpose for each of the charitable contributions.” In arguing that the proposal had been substantially implemented, the company referred to a website where the company had described its policies and guidelines for determining the types of grants that it makes and the types of requests that the company typically does not fund. Although the proposal appeared to contemplate disclosure of each and every charitable contribution, the Staff concluded that the company had substantially implemented the proposal. See also, e.g., The Wendy’s Co. (Apr. 10, 2019) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report assessing human rights risks of the company’s operations, including the principles and methodology used to make the assessment, the frequency of assessment and how the company would use the assessment’s results, where the company had a code of ethics and a code of conduct for suppliers and disclosed on its website the frequency and methodology of its human rights risk assessments); MGM Resorts Int’l (Feb. 28, 2012) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company’s sustainability policies and performance, including multiple objective statistical indicators, where the company published an annual sustainability report); Exelon Corp. (Feb. 26, 2010) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report disclosing policies and procedures for political contributions and monetary and non-monetary political contributions where the company had adopted corporate political contributions guidelines).

In this instance, Johnson & Johnson has substantially implemented the Proposal, the essential objective of which is to report on Johnson & Johnson’s approach to COVID-19 vaccine and therapeutic access. In particular, the Proposal requests a report on how government collaboration for the development and manufacture of vaccines and therapeutics for COVID-19 may influence Johnson & Johnson’s decisions that affect access for those products.

Johnson & Johnson already has published information on its approach to COVID-19 vaccine and therapeutic access and pricing. In this regard, Johnson & Johnson maintains a portion of its corporate website dedicated to providing updates on its COVID-19 related initiatives and statements, a landing page titled “Our COVID-19 Efforts,” which includes information detailing its approach to COVID-19 vaccine and therapeutic access and pricing. These public disclosures address the underlying concerns and essential objectives of the Proposal. Specifically, as disclosed on Johnson & Johnson’s website, in September 2020, Johnson & Johnson signed a Communiqué on Expanded Global Access for COVID-19, where it
committed to ensure that people everywhere have access to the potential COVID-19 innovations under development at a number of companies regardless of their income level, including through donations or not-for-profit supply. As further disclosed on Johnson & Johnson’s website, since the beginning of its COVID-19 response, Johnson & Johnson has been committed to bringing an affordable vaccine to the public on a not-for-profit basis for emergency pandemic use. Moreover, in an interview published on Johnson & Johnson’s website, Johnson & Johnson’s Chief Financial Officer, Joe Wolk, explained that providing a potential COVID-19 vaccine for emergency pandemic use on a not-for-profit basis entails “distributing the vaccine at a cost to payers that covers [Johnson & Johnson’s] costs, such as development, clinical trials required and manufacturing and distribution.” Further, Mr. Wolk explained that Johnson & Johnson’s not-for-profit pricing will be “based on a formula established and utilized by the Bill & Melinda Gates Foundation for vaccine product pricing in lower-income countries.” This formula provides that all third-party contributions, including contributions from the government, that “directly related to the incremental production of the vaccine being assessed should be counted” toward reducing the manufacturer’s cost base for a product.

In addition, Johnson & Johnson has supported the plans of the United States and other national governments to bring an affordable vaccine to the public on a not-for-profit basis for emergency pandemic use. As disclosed on its website, in December 2020, Johnson & Johnson entered into an agreement in principle with Gavi, The Vaccine Alliance (“Gavi”) – a multilateral organization responsible for equitable access to vaccines and coordination of procurement and distribution of COVID-19 vaccines, including to lower-income countries, via the COVAX Facility – to provide up to 500 million doses of Johnson & Johnson’s COVID-19 vaccine

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5 See Bill & Melinda Gates Foundation, Production Economics for Vaccines (2016), available at https://docs.gatesfoundation.org/Documents/Production_Economics_Vaccines_2016.pdf and attached hereto as Exhibit F.
through 2022. Johnson & Johnson also announced, in March 2021, that it had entered into an agreement with the African Vaccine Acquisition Trust (“AVAT”) to make available up to 220 million doses of its COVID-19 vaccine to the African Union’s 55 member states with delivery beginning in the third quarter of 2021 and an option for AVAT to order an additional 180 million doses. Through these commitments, Johnson & Johnson is making available up to 900 million doses of its vaccine to the COVAX Facility and the African Union through 2022.

Johnson & Johnson also entered into an agreement, in November 2021, with the U.S. Government and Gavi to provide its COVID-19 vaccine through the COVAX Humanitarian Buffer, which is part of the COVAX Facility, to vulnerable populations in conflict zones or humanitarian settings who may live beyond the reach of traditional, government vaccination campaigns. Moreover, in November 2021, Johnson & Johnson announced it had reached an advanced stage in its discussions for a potential licensing agreement for its COVID-19 vaccine with Aspen SA Operations (Pty) Ltd (“Aspen”), which is based in South Africa. The license under discussion would enable Aspen, using COVID-19 vaccine drug substance supplied by Johnson & Johnson, to produce Aspen-branded finished vaccine for sale to public sector markets in Africa. Accordingly, Johnson & Johnson has not only reported on its approach to COVID-19 vaccine and therapeutic access, but it also has provided specific details on how it plans to take into account government collaboration in making decisions that affect access to its COVID-19 vaccine.

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10 In addition, the Janssen Pharmaceutical Companies of Johnson & Johnson, which are the subsidiaries responsible for developing COVID-19 vaccines and therapeutics, already disclose a significant amount of information with respect to drug access and pricing in the 2019 Janssen
Consistent with the precedent described above, Johnson & Johnson’s public disclosures already have satisfied the essential objective of the Proposal by describing how Johnson & Johnson may take into account its collaboration with the government for decisions that affect access to its COVID-19 vaccine and therapeutics. Moreover, Mr. Wolk’s interview and other public disclosures on Johnson & Johnson’s corporate website compare favorably with the guidelines of the Proposal, as those disclosures provide detailed information on the standard that Johnson & Johnson will use in providing its COVID-19 vaccine for emergency pandemic use on a not-for-profit basis and how Johnson & Johnson will take into account government collaboration for its COVID-19 vaccine and therapeutic access. Thus, Johnson & Johnson has substantially implemented the Proposal.

Accordingly, the Proposal should be excluded from Johnson & Johnson’s 2022 proxy materials pursuant to Rule 14a-8(i)(10) as substantially implemented.

V. Conclusion

Based upon the foregoing analysis, Johnson & Johnson respectfully requests that the Staff concur that it will take no action if Johnson & Johnson excludes the Proposal from its 2022 proxy materials.


- Janssen’s investment of $8.8 billion in 2019 alone and $39.4 billion over the past five years for pharmaceutical research and development.
- Janssen’s more than 140 active collaborations with universities, biopharmaceutical firms, academic medical centers, and other scientific organizations for discovering and developing new drugs.
- Janssen’s discounts and rebate programs to payers and other intermediaries, including government programs, which reduce the list price of Janssen drugs to a lower net price paid by patients.
- Various factors that influence Janssen’s approach to drug pricing, such as the product’s value to patients, the healthcare system and society, and preserving the ability to invest in future developments.
- Information and statistics on the government funding Janssen received to support its research over the past five years, and, in particular, that all of such funding related to investments to address public health threats. In particular, the U.S. government funding Janssen received between 2015 and 2019 amounted to less than one percent of its global research and development investment.
Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Johnson & Johnson’s position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff’s response. Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,

Marc S. Gerber

Enclosures

cc: Matt Orlando
Worldwide Vice President, Corporate Governance and Corporate Secretary
Johnson & Johnson

Robert Silverman
Senior Manager, Private Sector Advocacy
Oxfam America, Inc.

Diana Kearney
Oxfam America, Inc.

Frank Wagemans, on behalf of Stichting Bewaarder Achmea Beleggingspools
Senior Engagement Specialist
Achmea Investment Management

Rose Maire Stallbaumer, OSB
Treasurer
Benedictine Sisters of Mount St. Scholastica

Sister Andrea Westkamp, OSB
Treasurer
Benedictine Sisters of Virginia

Sr. Susan Mika, OSB
Director, Corporate Responsibility
Benedictine Sisters of Boerne, Texas
Charles P. McLimans
Chief Executive Officer
Benedictine Women of Madison

Lydia Kuykendal, on behalf of Bon Secours Mercy Health, Inc.
Director of Shareholder Advocacy
Mercy Investment Services, Inc.

Laura Krausa, MNM
System Director Advocacy Programs
CommonSpirit Health

Chris C. Meyer, on behalf of the Praxis Value Index Fund
Manager of Advocacy and Research
Everence Financial and the Praxis Mutual Funds

Judy Byron, OP, on behalf of PeaceHealth
Intercommunity Peace & Justice Center
Northwest Coalition for Responsible Investment

Lydia Kuykendal, on behalf of The Daughters of Charity, Province of St. Louise
Director of Shareholder Advocacy
Mercy Investment Services, Inc.

Sister Barbara Aires
Coordinator of Corporate Responsibility
The Sisters of Charity of Saint Elizabeth

Catherine Rowan
Director, Socially Responsible Investments
Trinity Health
EXHIBIT A

(see attached)
Dear Matt and Marc,

I want to thank you and your colleagues for a productive dialogue during yesterday’s ICCR discussion. We look forward to continuing the conversation.

Attached please find Oxfam America’s cover letter and shareholder proposal for JNJ’s 2022 proxy ballot. We are sending a hard copy, as well, via overnight mail.

Please reach out to us with any questions, and we ask that you please confirm receipt.

Thank you,
Robbie

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This message (including any attachments) may contain confidential, proprietary, privileged and/or private information. The information is intended to be for the use of the individual or entity designated above. If you are not the intended recipient of this message, please notify the sender immediately, and delete the message and any attachments. Any disclosure, reproduction, distribution or other use of this message or any attachments by an individual or entity other than the intended recipient is prohibited. This message is for discussion purposes only and cannot be used to create a binding contract.
BY EMAIL AND OVERNIGHT DELIVERY

Johnson & Johnson, Inc.
Attn: Assistant General Counsel and Corporate Secretary, Mr. Matt Orlando
1 Johnson & Johnson Plaza
New Brunswick, NJ 08933
Email: MOrland3@ITS.JNJ.COM

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Mr. Orlando,

Enclosed please find a proposal of Oxfam America, Inc. (“Oxfam America”) and other co-filers to be included in the proxy statement of Johnson & Johnson, Inc. (the “Company”) for its 2022 annual meeting of shareholders.

Oxfam America has continuously held, for at least three years as of the date hereof, at least $2,000 worth of the Company’s common stock. Verification of this ownership will be forthcoming. Oxfam America intends to continue to hold such shares through the date of the Company’s 2022 annual meeting of shareholders.

Oxfam America is the lead filer for this proposal and may be joined by other shareholders as co-filers. Oxfam America as lead filer is authorized to engage with the company and negotiate on behalf of each co-filer any potential withdrawal of this proposal.

Oxfam America welcomes the opportunity to discuss this proposal with representatives of the Company. We are available on Thursday, November 18 between 1 and 3pm ET; Monday, November 22 between 10 am and 12pm ET; and Tuesday, November 23 between 3 and 5pm ET. I can be contacted on (617) 780-7502 or by email at robert.silverman@oxfam.org to schedule a meeting. Please feel free to contact me with any questions.

Sincerely,

Robert Silverman
Oxfam America

[Enclosure]
SHAREHOLDER PROPOSAL REGARDING
GOVERNMENT FINANCIAL SUPPORT AND
ACCESS TO COVID-19 VACCINES AND THERAPEUTICS

RESOLVED that shareholders of Johnson & Johnson (“JNJ”) ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

SUPPORTING STATEMENT

Janssen has received substantial government funding for COVID-19 related research and development. In February 2020, Janssen entered into a “collaborative partnership” with U.S. Biomedical Advanced Research and Development Authority (“BARDA”), receiving $456 million in federal funding to develop a COVID-19 vaccine.1 BARDA provided $152 million for Janssen and a partner to develop therapeutics.2 BARDA committed $1 billion more in August 2020 to expand Janssen’s vaccine manufacturing capability.3 In November 2020 BARDA committed an additional $454 million to finance Phase III vaccine trials.4

JNJ has been distributing its COVID-19 vaccine on a “nonprofit” basis, but that commitment is limited to “emergency pandemic use.”5 CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021.6

JNJ has not clarified what “nonprofit” means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict,7 demand will outlast the pandemic. The potential market will be vast.

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7 E.g., https://www.nature.com/articles/d41586-020-02278-5.
Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks,\(^8\) reignite the global economy, and boost investor returns.\(^9\) As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents.\(^10\) Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights,\(^11\) which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals – delivering about thirteen percent of promised doses,\(^12\) missing significant profits as a result - which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

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12 Analysis of Airfinity data (29th October 2021).
November 4, 2021

VIA EMAIL

Robert Silverman
Oxfam America
robert.silverman@oxfam.org

Dear Mr. Silverman:

This letter acknowledges receipt by Johnson & Johnson, on November 4, 2021, of the shareholder proposal submitted by the National Legal and Policy Center (the “Proponent”) pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Rule”), for consideration at the Company’s 2022 Annual Meeting of Shareholders (the “Proposal”).

Paragraph (b) of the Rule provides that shareholder proponents must submit sufficient proof of their continuous ownership of:

- at least $2,000 in market value of a company’s common stock for at least three years, preceding and including the date that the proposal was submitted;
- at least $15,000 in market value of a company’s common stock for at least two years, preceding and including the date that the proposal was submitted; or
- at least $25,000 in market value of a company’s common stock for at least one year, preceding and including the date that the proposal was submitted.

Alternatively, a proponent must have continuously held at least $2,000 in market value of a company’s common stock for at least one year as of January 4, 2021 and continuously maintained a minimum investment of at least $2,000 in market value of a company’s common stock from January 4, 2021 through and including the date that the proposal was submitted.

The Company’s stock records do not indicate that the Proponent is a record owner of Company shares, and to date, we have not received sufficient proof that the Proponent has satisfied the Rule’s ownership requirements.

Accordingly, please furnish to us, within 14 days of your receipt of this letter, a written statement from the “record” holder of the Proponent’s shares (usually a broker or a bank) and a participant in the Depository Trust Company (“DTC”) verifying that the Proponent beneficially owned the requisite number of Company shares continuously for at least the requisite period preceding and including November 4, 2021, the date the Proposal was submitted. The Proponent can confirm whether a particular broker or bank is a DTC...
participant by asking the broker or bank or by checking DTC’s participant list, which is currently available on the Internet at: http://www.dtcc.com/client-center/dtc-directories.

If the Proponent’s broker or bank is not on the DTC participant list, the Proponent will need to obtain a written statement from the DTC participant through which the Proponent’s shares are held verifying that the Proponent beneficially owned the requisite number of Company shares continuously for at least the requisite period preceding and including November 4, 2021, the date the Proposal was submitted. The Proponent should be able to find who this DTC participant is by asking the Proponent’s broker or bank. If the broker is an introducing broker, the Proponent may also be able to learn the identity and telephone number of the DTC participant through the Proponent’s account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant knows the Proponent’s broker or bank’s holdings, but does not know the Proponent’s holdings, the Proponent can satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that, for at least the requisite period preceding and including November 4, 2021, the required amount of securities was continuously held – one from the Proponent’s broker or bank confirming the Proponent’s ownership, and the other from the DTC participant confirming the Proponent’s broker or bank’s ownership.

The SEC’s rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, NJ 08933, Attention: Corporate Secretary. For your convenience, a copy of the Rule is enclosed.

Once we receive any response, we will be in a position to determine whether the Proposal is eligible for inclusion in the proxy materials for the Company’s 2022 Annual Meeting of Shareholders. We reserve the right to seek relief from the Securities and Exchange Commission as appropriate.

In the interim, you should feel free to contact either my colleague, Pinto Adhola, Assistant Corporate Secretary, at (732) 524-3581 or me at (732) 524-2472 if you wish to discuss the Proposal or have any questions or concerns that we can help to address.

Very truly yours,

Matthew Orlando
Worldwide Vice President Corporate Governance & Corporate Secretary

Cc: Pinto Adhola

MO/tmk
To Whom it May Concern,

Please accept this letter as confirmation that National Financial Services (NFS) holds 26 shares of Johnson & Johnson (JNJ) for the benefit of Oxfam America, Inc. Per our records, these shares were purchased on October 26, 2011.

As of November 4, 2021, Oxfam America, Inc. had continuously beneficially owned Johnson & Johnson common stock with a value of at least $2,000 (the “Shares”) for at least three years in account ending __________. National Financial Services is the record owner of the Shares and is a DTC participant.

Sincerely,

KRISTEN GARCIA
Client Services Manager

Our file: W613574-09NOV21

200 Seaport Boulevard, Boston, MA 02210

Fidelity Clearing & Custody Solutions® provides clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC.
EXHIBIT B

(see attached)
BY EMAIL AND DELIVERY

Johnson & Johnson, Inc.
Attn: Assistant General Counsel and Corporate Secretary, Mr. Matt Orlando
1 Johnson & Johnson Plaza
New Brunswick, NJ 08933
Email: MOrland3@ITS.JNJ.COM

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Mr. Orlando,

Stichting Bewaarder Achmea Beleggingspools, being the legal owner of the assets of Achmea IM Global Enhanced Equity Fund EUR hedged, hereinafter represented by its sole statutory director Achmea Investment Management, hereby co-files a shareholder proposal submitted by lead filer Oxfam America, Inc. (“Oxfam America”), in accordance with SEC Rule 14a-8, to be included in the proxy statement of Johnson & Johnson, Inc. (the “Company”) for its 2022 annual meeting of shareholders.

Stichting Bewaarder Achmea Beleggingspools has continuously held, for at least one year as of the date hereof, at least $2000 of the Company’s common stock to meet the requirements of Rule 14a-8 of the general rules and regulations of the Securities and Exchange Act of 1934, as amended. Verification of this ownership will be sent under separate cover. Stichting Bewaarder Achmea Beleggingspools intends to continue to hold such shares through the date of the Company’s 2022 annual meeting of shareholders.
Oxfam America is the lead filer for this proposal and is entitled to negotiate on behalf of Stichting Bewaarder Achmea Beleggingspools any potential withdrawal of this proposal.

Sincerely, Stichting Bewaarder Achmea Beleggingspools, hereinafter represented by its sole statutory director Achmea Investment Management B.V.

Name: ____________________________  Name: ____________________________
Function: __________________________ Function: ____________________________

CC: Ms Tina French, Assistant Corporate Secretary, tfrench1@its.jnj.com
SHAREHOLDER PROPOSAL REGARDING
GOVERNMENT FINANCIAL SUPPORT AND
ACCESS TO COVID-19 VACCINES AND THERAPEUTICS

RESOLVED that shareholders of Johnson & Johnson (“JNJ”) ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

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JNJ has been distributing its COVID-19 vaccine on a “nonprofit” basis, but that commitment is limited to “emergency pandemic use.”5 CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021.6

JNJ has not clarified what “nonprofit” means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict,7 demand will outlast the pandemic. The potential market will be vast.

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7 E.g., https://www.nature.com/articles/d41586-020-02278-5.
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JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

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\(^12\) Analysis of Airfinity data (29\(^{th}\) October 2021).
To whom it may concern:

Amsterdam, 22 November 2021

Subject: Positions in JOHNSON & JOHNSON (US4781601046)

Dear Sirs,

BNY Mellon is the custodian bank for the Achmea IM Wereldwijd Aandelen Fonds ("the Fund"), managed by Achmea Investment Management BV.

We are writing to confirm that as of November 9, 2021, the Fund had continuously beneficially owned JOHNSON & JOHNSON common stock with a market value of at least $2,000 for at least three years. Achmea IM has held these shares since at least January 12, 2016. The Fund currently owns 128,209 shares.

I/we hereby certify that the transactions shown in the attached Exhibit A concerning securities of JOHNSON & JOHNSON truly and accurately reflect the transactions in or for the Achmea Investment Management account/fund, held by us in custody, during the relevant period.

BNY Mellon is a DTC participant.

Sincerely,

Stephen Noteboom
Relationship Executive
The Bank of New York Mellon SA/NV
<table>
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<th>ISIN</th>
<th>Security Name</th>
<th>Trade Currency</th>
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November 10, 2021

Matthew Orlando  
Corporate Secretary  
Johnson & Johnson  
One Johnson & Johnson Plaza  
New Brunswick, New Jersey, 08933  

Email: MORLAND3@ITS.JNJ.COM

Dear Mr. Orlando:

I am writing you on behalf of Benedictine Sisters of Mount St. Scholastica to co-file the stockholder resolution on COVID-19 Pricing Transparency. In brief, the proposal states: RESOLVED, that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with Oxfam America. I submit it for inclusion in the 2022 proxy statement for consideration and action by the shareholders at the 2022 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of 24 number of Johnson & Johnson or $2,000 worth of the shares for at least 3 years as of the date hereof. We have continuously held shares of Johnson & Johnson common stock with a value of at least $2,000 for at least one year in market value and will continue to hold at least $2,000 of Johnson & Johnson stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders’ meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider Oxfam America the lead filer of this resolution. As such, Oxfam America, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Diana Kearney, of Oxfam America who may be reached by email: diana.kearney@oxfam.org.

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Rose Maire Stallbaumer, OSB, Treasurer
RESOLVED that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.


JNJ has been distributing its COVID-19 vaccine on a "nonprofit" basis, but that commitment is limited to "emergency pandemic use." [5] CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021. [6]

JNJ has not clarified what "nonprofit" means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict, [7] demand will outlast the pandemic. The potential market will be vast.

Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks, [8] reignite the global economy, and boost investor returns. [9] As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents. [10] Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights, [11] which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals — delivering about thirteen percent of promised doses, [12] missing significant profits as a result - which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its s approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

November 10, 2021

Matthew Orlando
Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Pla
New Brunswick, NJ 08933

Email: MORLAND3@ITS.JNJ.COM

Re: Co-filing of shareholder resolution: COVID-19 Pricing Transparency

Dear Mr. Orlando:

In connection with a shareholder proposal filed by Mount St. Scholastica on November 10, 2021, we are writing to confirm that Mount St. Scholastica has had beneficial ownership of at least $2,000 in market value of the voting securities of Johnson & Johnson and that such ownership has existed continuously for at least three years in accordance with Rule 14(a)(1) of the Securities Exchange Act of 1934.

These shares have been held with Merrill Lynch DTC number 8862. If you need further information please contact us at 316-631-3503.

Sincerely,

Diane Hundley

Diane Hundley
RWMCA

CC: Benedictine Sisters of Mount St. Scholastica

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as “MLPF&S” or “Merrill”) makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of Bank of America Corporation (“BoFA Corp.”). MLPF&S is a registered broker-dealer, registered investment adviser, Member SIPC and a wholly owned subsidiary of BoFA Corp.

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<th>May Lose Value</th>
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November 10, 2021

Matthew Orlando
Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey, 08933

Email: MORLAND3@ITS.JNJ.COM

Dear Mr. Orlando:

I am writing you on behalf of Benedictine Sisters of Virginia to co-file the stockholder resolution on COVID-19 Pricing Transparency. In brief, the proposal states: RESOLVED, that shareholders of Johnson & Johnson (‘JNJ’) ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with Oxfam America. I submit it for inclusion in the 2022 proxy statement for consideration and action by the shareholders at the 2022 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of $2,000 worth of Johnson & Johnson or shares for at least four years as of the date hereof. We have continuously held shares of Johnson & Johnson common stock with a value of at least $2,000 for at least one year in market value and will continue to hold at least $2,000 of Johnson & Johnson stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders’ meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider Oxfam America the lead filer of this resolution. As such, Oxfam America, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Diana Kearney, of Oxfam America who may be reached by email: diana.kearney@oxfam.org.
As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Sister Andrea Westkamp, OSB

Sister Andrea Westkamp, OSB
Treasurer
Johnson & Johnson
COVID-19 Pricing Transparency

RESOLVED that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

Janssen has received substantial government funding for COVID-19 related research and development. In February 2020, Janssen entered into a "collaborative partnership" with U.S. Biomedical Advanced Research and Development Authority ("BARDA"), receiving $456 million in federal funding to develop a COVID-19 vaccine.[1] BARDA provided $152 million for Janssen and a partner to develop therapeutics.[2] BARDA committed $1 billion more in August 2020 to expand Janssen’s vaccine manufacturing capability.[3] In November 2020 BARDA committed an additional $454 million to finance Phase III vaccine trials.[4]

JNJ has been distributing its COVID-19 vaccine on a "nonprofit" basis, but that commitment is limited to "emergency pandemic use."[5] CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021.[6]

JNJ has not clarified what "nonprofit" means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict,[7] demand will outlast the pandemic. The potential market will be vast.

Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks,[8] reignite the global economy, and boost investor returns.[9] As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents.[10] Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights,[11] which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals – delivering about thirteen percent of promised doses,[12] missing significant profits as a result - which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its s approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

November 11, 2021

Matthew Orlando
Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

Email: Morland3@ITS.JNJ.Com

Re: Co-filing of shareholder resolution: Covid-19 Pricing Transparency

In connection with a shareholder proposal filed by Benedictine Sisters of Virginia on November 11, 2021, we are writing to confirm that the Benedictine Sisters of Virginia has had beneficial ownership of at least $25,000 in market value of the voting securities Johnson & Johnson (CUSIP # 478160104) and that such ownership has existed continuously for at least one year in accordance with Rule 14(a)(1) of the Securities Exchange Act of 1934.

These shares have been held with Truist Investment Services, Inc.– DTC# 0226. If you need further information, please contact us at 804-787-8284.

Sincerely,

Cheryl T. Franz
Client Service Associate for Steve Gow

Cc: Sister Andrea Westkamp, OSB

The information contained herein was prepared by the undersigned for informational purposes only and does not represent an official statement of your account at our firm. Please refer to your monthly or quarterly statements for a complete record of your transactions, holdings, and balances.
November 10, 2021

Matthew Orlando  
Corporate Secretary  
Johnson & Johnson  
One Johnson & Johnson Plaza  
New Brunswick, New Jersey, 08933  

Email: MORLAND3@ITS.JNJ.COM

Dear Mr. Orlando:  
I am writing you on behalf of the Benedictine Sisters, Boerne, Texas to co-file the stockholder resolution on COVID-19 Pricing Transparency.  
In brief, the proposal states: RESOLVED, that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with Oxfam America. I submit it for inclusion in the 2022 proxy statement for consideration and action by the shareholders at the 2022 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of $2,000 worth of the shares for many years. We have continuously held shares of Johnson & Johnson common stock with a value of at least $2,000 for at least one year in market value
and will continue to hold at least $2,000 of Johnson & Johnson stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders’ meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider Oxfam America the lead filer of this resolution. As such, Oxfam America, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached.

Please note that the contact person for this resolution/proposal will be Diana Kearney, of Oxfam America who may be reached by email: diana.kearney@oxfam.org

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Sr. Susan Mika

Sr. Susan Mika, OSB
Director, Corporate Responsibility
Johnson & Johnson
COVID-19 Pricing Transparency

RESOLVED that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

Janssen has received substantial government funding for COVID-19 related research and development. In February 2020, Janssen entered into a “collaborative partnership” with U.S. Biomedical Advanced Research and Development Authority (“BARDA”), receiving $456 million in federal funding to develop a COVID-19 vaccine.[1] BARDA provided $152 million for Janssen and a partner to develop therapeutics.[2] BARDA committed $1 billion more in August 2020 to expand Janssen’s vaccine manufacturing capability.[3] In November 2020 BARDA committed an additional $454 million to finance Phase III vaccine trials.[4] JNJ has been distributing its COVID-19 vaccine on a “nonprofit” basis, but that commitment is limited to “emergency pandemic use.”[5] CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021.[6]

JNJ has not clarified what “nonprofit” means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict,[7] demand will outlast the pandemic. The potential market will be vast.

Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks,[8] reignite the global economy, and boost investor returns.[9] As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents.[10] Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights,[11] which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals — delivering about thirteen percent of promised doses,[12] missing significant profits as a result - which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its s approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

11/10/2021

Matthew Orlando
Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933

Email: MORLAND3@ITS.JNJ.COM

Re: Co-filing of shareholder resolution: COVID-19 Pricing Transparency

In connection with a shareholder proposal filed by the Benedictine Sisters, Boerne, Texas on November 10, 2021, we are writing to confirm their beneficial ownership of at least $2,000 in market value of the voting securities of Johnson & Johnson and that such ownership has existed continuously for at least three years in accordance with Rule 14(a)(1) of the Securities Exchange Act of 1934.

These shares have been held with Morgan Stanley 0015. If you need further information, please contact us at 210-366-6645.

Thank you,

Heather Wineinger

Heather Wineinger
Institutional Consulting Relationship Manager
Matthew Orlando  
Corporate Secretary  
Johnson & Johnson  
One Johnson & Johnson Plaza  
New Brunswick, New Jersey, 08933  

Email: MORLAND3@ITS.JNJ.COM  

Dear Mr. Orlando:

I am writing you on behalf of Benedictine Women of Madison to co-file the stockholder resolution on COVID-19 Pricing Transparency. In brief, the proposal states: RESOLVED, that shareholders of Johnson & Johnson (“JNJ”) ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with Oxfam America. I submit it for inclusion in the 2022 proxy statement for consideration and action by the shareholders at the 2022 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of 250 number of Johnson & Johnson shares or $40,000 worth of the shares for at least 10 as of the date hereof. We have continuously held shares of Johnson & Johnson common stock with a value of at least $2,000 for at least one year in market value and will continue to hold at least $2,000 of Johnson & Johnson stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders’ meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider Oxfam America the lead filer of this resolution. As such, Oxfam America, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Diana Kearney, of Oxfam America who may be reached by email: diana.kearney@oxfam.org.

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Charles P. McLimans, Chief Executive Officer
RESOLVED that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

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Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks,[8] reignite the global economy, and boost investor returns.[9] As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents.[10] Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights,[11] which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals – delivering about thirteen percent of promised doses,[12] missing significant profits as a result - which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its s approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

11/10/2021

Matthew Orlando
Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey, 08933

Email: MORLAND3@TS.JNJ.COM

Re: Co-filing of shareholder resolution: COVID-19 Pricing Transparency

In connection with a shareholder proposal filed by Benectine Women of Madison on 11/10/2021, we are writing to confirm that Benedictine Women of Madison has had beneficial ownership of at least $25,000 in market value of the voting securities of Johnson & Johnson and that such ownership has existed continuously for at least one year in accordance with Rule 14(a)(1) of the Securities Exchange Act of 1934.

These shares have been held with Merrill Lynch, DTC # 8862. If you need further information, please contact us at 608-283-2735.

Sincerely,

Wolfgang Reichenberger, CFP®
Wealth Management Advisor
November 8, 2021

Matthew Orlando
Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

Dear Mr. Orlando:

Bon Secours Mercy Health, Inc. has long been concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long term business success. Bon Secours Mercy Health, a long-term investor, is currently the beneficial owner of shares of Johnson & Johnson (“JNJ”).

Bon Secours Mercy Health is requesting the Board of Directors to report to shareholders, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

Bon Secours Mercy Health is co-filing the enclosed shareholder proposal with lead filer, Oxfam America, Inc., for inclusion in the 2022 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Bon Secours Mercy Health has been a shareholder continuously since and including January 4, 2020, holding at least $2,000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders’ meeting. The verification of ownership by our custodian, a DTC participant, is included in this packet. A representative of the filers will attend the Annual Meeting to present the resolution as required by SEC rules.

We will plan to participate in any meetings on this proposal to the extent we are available at the time selected by the lead filer and our company. Please direct all future correspondence regarding this proposal to Lydia Kuykendal of Mercy Investment Services, who is authorized to speak and negotiate on Bon Secours Mercy Health’s behalf. Lydia’s contact information is: lkuykendal@mercyinvestments.org; 317-910-8581; 2039 No. Geyer Rd., St. Louis, MO 63131. We authorize Oxfam America, Inc. to withdraw on our behalf if an agreement is reached.

Best regards,

Jerry Judd
Senior Vice President and Treasurer
Bon Secours Mercy Health
SHAREHOLDER PROPOSAL REGARDING
GOVERNMENT FINANCIAL SUPPORT AND
ACCESS TO COVID-19 VACCINES AND THERAPEUTICS

RESOLVED that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

SUPPORTING STATEMENT

Janssen has received substantial government funding for COVID-19 related research and development. In February 2020, Janssen entered into a “collaborative partnership” with U.S. Biomedical Advanced Research and Development Authority ("BARDA"), receiving $456 million in federal funding to develop a COVID-19 vaccine. BARDA provided $152 million for Janssen and a partner to develop therapeutics. BARDA committed $1 billion more in August 2020 to expand Janssen’s vaccine manufacturing capability. In November 2020 BARDA committed an additional $454 million to finance Phase III vaccine trials.

JNJ has been distributing its COVID-19 vaccine on a “nonprofit” basis, but that commitment is limited to “emergency pandemic use.” CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021.4

JNJ has not clarified what “nonprofit” means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict,7 demand will outlast the pandemic. The potential market will be vast.

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7 E.g., https://www.nature.com/articles/d41586-020-02278-5.
November 8, 2021

Matthew Orlando
Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

Re: Shareholder proposal submitted by Bon Secours Mercy Health Inc

Dear Matthew,

I write concerning a shareholder proposal (the “Proposal”) submitted to Johnson & Johnson (the “Company”) by Bon Secours Mercy Health Inc. As of November 8, 2021, Bon Secours Mercy Health Inc beneficially owned, and had beneficially owned continuously since at least and including January 4, 2020, shares of the Company’s common stock worth at least $2,000 (the “Shares”). State Street Bank and Trust Company has acted as record holder of the Shares and is a DTC participant.

If you require any additional information, please do not hesitate to contact me at 617-664-9869 or vgaguier@statestreet.com.

Very truly yours,

Victoria Aguiar
Vice President
November 8, 2021

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Mr. Orlando,

CommonSpirit Health (CommonSpirit) is a nonprofit, Catholic health system dedicated to advancing health for all people. Our commitment to serve the common good is delivered through the dedicated work of thousands of physicians, advanced practice clinicians, nurses, and staff; through clinical excellence delivered across a system of 137 hospitals and more than 1,000 care centers serving 21 states; and through more than $4 billion annually in charity care, community benefits, and government program services. With a large geographic footprint representing diverse populations across the U.S. and a mission to serve the most vulnerable, CommonSpirit is a leader in advancing the shift from sick care to well care, and advocating for social justice and health equity.

As a religiously sponsored organization, CommonSpirit seeks to reflect its mission, vision and values in its investment decisions. Access to vaccines is always a priority for CommonSpirit, witnessing daily the impacts of this preventive form of medicine in health improvements and health equity. In the midst of a pandemic, access to COVID-19 vaccines and therapeutics is critical to the health and wellbeing of all. Equitable access must always be a top priority for pharmaceuticals, and particularly so when public monies have supported development and manufacture of vaccines. The enclosed resolution requests a report on if and how Johnson & Johnson, Inc.’s (JNJ) receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being considered in decisions regarding access.

CommonSpirit Health is submitting the attached proposal (the “Proposal”) pursuant to the Securities and Exchange Commission’s Rule 14a-8 to be included in the proxy statement of Johnson & Johnson, Inc. (the “Company”) for its 2022 annual meeting of shareholders. CommonSpirit Health is co-filing the Proposal with lead filer Oxfam America. In its submission
letter, Oxfam provided dates and times of ability to meet. We designate the lead filer to meet initially with the Company.

CommonSpirit Health has been a shareholder continuously since and including January 4, 2020, holding at least $2000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders’ meeting. The verification of ownership by our custodian, a DTC participant, is included in this packet. There will be a representative present at the stockholders meeting to present this resolution as required by the SEC Rules.

Please address all future correspondence and communications regarding this proposal to me, Laura Krausa, System Director Advocacy Programs, CommonSirit Health, 6741 W. 36th Place, Wheat Ridge, CO 80033. I can also be reached at laura.krausa@commonspirit.org or 303-818-4307.

It is our tradition and preference as a religiously sponsored organization to participate in dialogue with companies and we appreciate the Company’s commitment to this ongoing engagement. Thank you for your attention to our concerns. We hope that submission of this proposal will lead to greater transparency regarding the issues our proposal raises.

Sincerely,

Laura Krausa, MNM
System Director Advocacy Programs

Attachments: Shareholder Resolution, Verification of Ownership

CC: Diana Kearney, Oxfam; Julie Wokaty, Interfaith Center on Corporate Responsibility
SHAREHOLDER PROPOSAL REGARDING
GOVERNMENT FINANCIAL SUPPORT AND
ACCESS TO COVID-19 VACCINES AND THERAPEUTICS

RESOLVED that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

SUPPORTING STATEMENT

Janssen has received substantial government funding for COVID-19 related research and development. In February 2020, Janssen entered into a “collaborative partnership” with U.S. Biomedical Advanced Research and Development Authority (“BARDA”), receiving $456 million in federal funding to develop a COVID-19 vaccine.1 BARDA provided $152 million for Janssen and a partner to develop therapeutics.2 BARDA committed $1 billion more in August 2020 to expand Janssen’s vaccine manufacturing capability.3 In November 2020 BARDA committed an additional $454 million to finance Phase III vaccine trials.4

JNJ has been distributing its COVID-19 vaccine on a “nonprofit” basis, but that commitment is limited to “emergency pandemic use.”5 CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021.6

JNJ has not clarified what “nonprofit” means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict,7 demand will outlast the pandemic. The potential market will be vast.

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7 E.g., https://www.nature.com/articles/d41586-020-02278-5.
Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks,\textsuperscript{8} reignite the global economy, and boost investor returns.\textsuperscript{9} As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents.\textsuperscript{10} Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights,\textsuperscript{11} which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals – delivering about thirteen percent of promised doses,\textsuperscript{12} missing significant profits as a result - which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its s approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

\textsuperscript{8} See https://www.americanprogress.org/issues/healthcare/reports/2020/07/28/488196/comprehensive-covid-19-vaccine-plan/.
\textsuperscript{10} https://ourworldindata.org/covid-vaccinations (last visited Oct. 22, 2021)
\textsuperscript{12} Analysis of Airfinity data (29th October 2021).
November 8, 2021

Attn: Assistant General Counsel and Corporate Secretary  
Johnson & Johnson, Inc.  
1 Johnson & Johnson Plaza  
New Brunswick, NJ 08933

Dear Mr. Matt Orlando,

I write concerning a shareholder proposal (the “Proposal”) submitted to Johnson & Johnson, Inc. (the “Company”) by CommonSpirit Health. As of November 8, 2021, CommonSpirit Health beneficially owned, and had beneficially owned continuously since at least and including January 4, 2020, shares of the Company’s common stock worth at least $2,000 (the “Shares”). Northern Trust has acted as record holder of the Shares and is a DTC participant, whose DTC number is 2669.

If you require any additional information, please do not hesitate to contact me at 312-630-6041 or jwb5@ntrs.com.

Very truly yours,

Jennifer W. Beattie  
Senior Vice President
November 8, 2021

Via email and delivery

Johnson & Johnson, Inc.
Attn: Assistant General Counsel and Corporate Secretary, Mr. Matt Orlando
1 Johnson & Johnson Plaza
New Brunswick, NJ 08933
Email: MOrland3@ITS.JNJ.COM

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Mr. Orlando,

On behalf of the Praxis Value Index Fund, Everence Financial is submitting the attached proposal (the “Proposal”) pursuant to the Securities and Exchange Commission’s Rule 14a-8 to be included in the proxy statement of Johnson & Johnson, Inc. (the “Company”) for its 2022 annual meeting of shareholders. Everence Financial is co-filing the Proposal with lead filer Oxfam America. In its submission letter, Oxfam provided dates and times of ability to meet. We designate the lead filer to meet initially with the Company.

Everence Financial is the stewardship agency of Mennonite Church USA with over $5 billion of socially invested assets under management. Everence Capital Management is the advisor to Praxis Mutual Funds, and as such, conducts all investment related activities of the fund family, including filing shareholder resolutions and directing proxy voting.

The Praxis Value Index Fund has continuously beneficially owned over $25,000 worth of the Company’s stock for more than 1 year and intends to continue to hold sufficient shares in the Company through the date of the Company’s 2022 annual meeting of shareholders. Verification of this ownership will follow under separate cover.

If you have any questions or need additional information, I can be contacted at 574-533-9515 ext. 3291 or by email at chris.meyer@everence.com.

Sincerely,

Chris C. Meyer
Manager of Advocacy and Research
Everence Financial and the Praxis Mutual Funds
SHAREHOLDER PROPOSAL REGARDING
GOVERNMENT FINANCIAL SUPPORT AND
ACCESS TO COVID-19 VACCINES AND THERAPEUTICS

RESOLVED that shareholders of Johnson & Johnson (“JNJ”) ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

SUPPORTING STATEMENT

Janssen has received substantial government funding for COVID-19 related research and development. In February 2020, Janssen entered into a “collaborative partnership” with U.S. Biomedical Advanced Research and Development Authority (“BARDA”), receiving $456 million in federal funding to develop a COVID-19 vaccine.¹ BARDA provided $152 million for Janssen and a partner to develop therapeutics.² BARDA committed $1 billion more in August 2020 to expand Janssen’s vaccine manufacturing capability.³ In November 2020 BARDA committed an additional $454 million to finance Phase III vaccine trials.⁴

JNJ has been distributing its COVID-19 vaccine on a “nonprofit” basis, but that commitment is limited to “emergency pandemic use.”⁵ CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021.⁶

JNJ has not clarified what “nonprofit” means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict,⁷ demand will outlast the pandemic. The potential market will be vast.

⁷ E.g., https://www.nature.com/articles/d41586-020-02278-5.
Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks,\(^8\) reignite the global economy, and boost investor returns.\(^9\) As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents.\(^10\) Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights,\(^11\) which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals—delivering about thirteen percent of promised doses,\(^12\) missing significant profits as a result - which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its s approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

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\(^12\) Analysis of Airfinity data (29th October 2021).
11-8-21

Mr. Chris C. Meyer  
Manager of Advocacy and Research  
Everence Financial and the Praxis Mutual Funds  
1110 North Main Street  
PO Box 483  
Goshen, IN 46527

Dear Mr. Meyer:

This letter is in response to your request for confirmation that the following account is currently the beneficial owner of Johnson & Johnson, Inc. (Cusip: 478160104). These securities are currently held by U.S. Bank as the accountholder’s custodian. We furthermore verify that the account has held a minimum of $25,000 worth of Johnson & Johnson shares for the one-year period preceding and including November 8, 2021.

**Praxis Value Index Fund/Account**  
40,071 shares

This letter also confirms that the aforementioned shares of stock are registered with U.S. Bank, Participant Number 2803, at the Depository Trust Company.

Sincerely,

**Michael Cordelli**

Michael Cordelli

Officer/ Global Fund Custody Services- Account Manager  
c. 414.639.0313 | f. 833.740.0379 |
BY EMAIL AND OVERNIGHT DELIVERY

November 8, 2021

Matthew Orlando
Assistant General Counsel & Corporate Secretary
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
Email: MOrland3@ITS.JNJ.COM

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Mr. Orlando,

As shareholders of Johnson & Johnson, PeaceHealth requests the Company to report on how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

PeaceHealth is submitting the attached proposal, pursuant to the Securities and Exchange Commission’s Rule 14a-8, to be included in the proxy statement of Johnson & Johnson for its 2022 annual meeting of shareholders. PeaceHealth is co-filing the proposal with lead filer, Oxfam America, Inc. In its submission letter, Oxfam America, Inc. will provide dates and times of ability to meet. We designate the lead filer to meet initially with the Company but may join the meeting subject to our availability.

The PeaceHealth continuously beneficially owned, for at least one year as of the date hereof, at least $2000 worth of the Company’s common stock. Verification of this ownership is attached. PeaceHealth intends to continue to hold such shares through the date of the Company’s 2022 annual meeting of shareholders.

The lead filer of the proposal can be contacted by phone (617) 780-7502, or by email at robert.silverman@oxfam.org/. If you have questions for the PeaceHealth, contact Judy Byron by email: jbyron@ipjc.org/

Sincerely,

Jeff Seirer
PeaceHealth System VP Financial Integrity / Controller

End: Shareholder Resolution
      Verification of Ownership
SHAREHOLDER PROPOSAL REGARDING
GOVERNMENT FINANCIAL SUPPORT AND
ACCESS TO COVID-19 VACCINES AND THERAPEUTICS

RESOLVED that shareholders of Johnson & Johnson (“JNJ”) ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

SUPPORTING STATEMENT

Janssen has received substantial government funding for COVID-19 related research and development. In February 2020, Janssen entered into a “collaborative partnership” with U.S. Biomedical Advanced Research and Development Authority (“BARDA”), receiving $456 million in federal funding to develop a COVID-19 vaccine.1 BARDA provided $152 million for Janssen and a partner to develop therapeutics.2 BARDA committed $1 billion more in August 2020 to expand Janssen’s vaccine manufacturing capability.3 In November 2020 BARDA committed an additional $454 million to finance Phase III vaccine trials.4

JNJ has been distributing its COVID-19 vaccine on a “nonprofit” basis, but that commitment is limited to “emergency pandemic use.”5 CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021.6

JNJ has not clarified what “nonprofit” means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict,7 demand will outlast the pandemic. The potential market will be vast.

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7 E.g., https://www.nature.com/articles/d41586-020-02278-5.
Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks, reignite the global economy, and boost investor returns. As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents. Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights, which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals—delivering about thirteen percent of promised doses, missing significant profits as a result—which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

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November 8, 2021

Johnson & Johnson, Inc.
Attn: Mr. Matt Orlando
Assistant General Counsel & Corporate Secretary
1 Johnson & Johnson Plaza
New Brunswick, NJ 08933

Re: Shareholder proposal submitted by PeaceHealth

Dear Mr. Orlando,

I write concerning a shareholder proposal (the “Proposal”) submitted to Johnson & Johnson (the “Company”) by PeaceHealth.

As of January 4, 2021, PeaceHealth had continuously held shares of the Company’s common stock with a value of at least $2,000 for at least one year, and PeaceHealth has continuously maintained a minimum investment of at least $2,000 of such securities (the “Shares”) from January 4, 2021 through November 8, 2021.

Vanguard acted as record holder of the Shares and is a DTC participant. If you require any additional information, please do not hesitate to contact me at 480-713-761, or gary_h_serlin@vanguard.com.

Very truly yours,

Gary Serlin

Gary Serlin
Client Service Analyst
Vanguard Institutional Investor Group
November 8, 2021

Matthew Orlando
Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

Dear Mr. Orlando:

The Daughters of Charity, Province of St. Louise (Daughters of Charity) are concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long-term business success. The Daughters of Charity are currently the beneficial owner of shares of Johnson & Johnson ("JNJ").

The enclosed proposal requests the Board of Directors to report to shareholders, on whether and how JNJ subsidiary Janssen's receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

The Daughters of Charity are co-filing the enclosed shareholder proposal for inclusion in the 2022 proxy statement with lead filer, Oxfam America, Inc., in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. The Daughters of Charity have been a shareholder continuously since and including December 8, 2014, holding at least $2,000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. The verification of ownership by our custodian, a DTC participant, is included in this packet. A representative of the filers will attend the Annual Meeting to present the resolution as required by SEC rules.

We will plan to participate in any meetings on this proposal to the extent we are available at the time selected by the lead filer and our company. Please direct all future correspondence regarding this proposal to Lydia Kuykendal of Mercy Investment Services, who is authorized to speak and negotiate on the Daughter of Charity's behalf. Lydia's contact information is: lkuykendal@mercyinvestments.org; 317-910-8581; 2039 No. Geyer Rd., St. Louis, MO 63131. We authorize Oxfam America, Inc. to withdraw on our behalf if an agreement is reached.

Best regards,

Sister Teresa George, D.C.
Provincial Treasurer
Daughters of Charity, Province of St. Louise
SHAREHOLDER PROPOSAL REGARDING GOVERNMENT FINANCIAL SUPPORT AND ACCESS TO COVID-19 VACCINES AND THERAPEUTICS

RESOLVED that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

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JNJ has not clarified what “nonprofit” means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict, demand will outlast the pandemic. The potential market will be vast.

7 E.g., https://www.nature.com/articles/d41586-020-02278-5.
November 8, 2021

Matthew Orlando
Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

Re: Certification of Ownership: Daughters of Charity Inc. **Account Number: XXXX**

This letter will certify that as of November 8, 2021, The Northern Trust Company held for the beneficial interest of The Daughters of Charity Inc. 30 shares of Johnson & Johnson (CUSIP: 478160104).

We confirm that the Daughters of Charity has beneficial ownership of the voting Johnson & Johnson and that such beneficial ownership has existed continuously since December 08, 2014 in accordance with rule 14a-8(a)(l) of the Securities Exchange Act of 1934.

Further, it is the intent to hold at least $2,000 in market value through the next annual meeting.

Please be advised, Northern Trust Securities Inc., employs National Financial Services for clearing purposes. National Financial Services DTC number is 0226.

If you have any questions, please feel free to give me a call.

Kind regards,

Juli Omahen

jao9@ntrs.com
(312) 444-4256
BY EMAIL AND DELIVERY

Johnson & Johnson, Inc.
Attn: Assistant General Counsel and Corporate Secretary, Mr. Matt Orlando
1 Johnson & Johnson Plaza
New Brunswick, NJ 08933
Email: MOland3@ITS.JNJ.COM

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Mr. Orlando,

The Sisters of Charity of Saint Elizabeth hereby co-files a shareholder proposal submitted by lead filer Oxfam America, Inc. ("Oxfam America"), in accordance with SEC Rule 14a-8, to be included in the proxy statement of Johnson & Johnson, Inc. (the "Company") for its 2022 annual meeting of shareholders.

The Sisters of Charity of Saint Elizabeth has continuously held, for at least one year as of the date hereof, at least 500 shares of the Company's common stock to meet the requirements of Rule 14a-8 of the general rules and regulations of the Securities and Exchange Act of 1934, as amended. The Sisters of Charity of Saint Elizabeth intends to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders.

Oxfam America is the lead filer for this proposal and is authorized to negotiate on behalf of The Sisters of Charity of Saint Elizabeth any potential withdrawal of this proposal.

We welcome the opportunity to discuss this proposal with representatives of the Company. Please feel free to contact me with any questions.

Sincerely,

Sister Barbara Aires
Coordinator of Corporate Responsibility

SBA/Ip
Enclosures
SHAREHOLDER PROPOSAL REGARDING
GOVERNMENT FINANCIAL SUPPORT AND
ACCESS TO COVID-19 VACCINES AND THERAPEUTICS

RESOLVED that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

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⁷ E.g., https://www.nature.com/articles/d41586-020-02278-5.
Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks,\(^8\) reignite the global economy, and boost investor returns.\(^9\) As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents.\(^10\) Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights,\(^11\) which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals – delivering about thirteen percent of promised doses,\(^12\) missing significant profits as a result - which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

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\(^12\) Analysis of Airfinity data (29th October 2021).
November 5, 2021

Mr. Matt Orlando
Assistant General Counsel and Corporate Secretary
1 Johnson & Johnson Plaza
New Brunswick, NJ 08933

RE: Sisters of Charity of Saint Elizabeth

Dear Mr. Orlando,

I write concerning a shareholder proposal submitted to Johnson & Johnson, (the “Company”) by the Sisters of Charity of Saint Elizabeth. As of November 5, 2021, the Sisters of Charity of Saint Elizabeth beneficially owned, and had beneficially owned continuously for at least three years inclusive of November 5, 2021, shares of the Company's common stock worth at least $2,000. Comerica has acted as record holder of the Shares and is a DTC participant.

The attached tax lot details indicate the date the stock was acquired.

Please do not hesitate to contact me with any questions.

Sincerely,

Beverly V. Jones
Senior Trust Analyst
Comerica Bank
411 W. Lafayette Boulevard
MC 3462
Detroit, Michigan 48226
P: 313.222.9874
BvJones@comerica.com
### Account: **SISTERS OF CHARITY OF SAINT ELIZABETH**
**CRAWFORD INV COUNSEL**

#### pg 1

**Comerica Bank**
Tax Lot Detail

Run on 11/5/2021 12:19:14 PM
As of 11/05/2021

**Settlement Date Basis**
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**Investment Authority:** None

**Lot Select Method:** FIFO

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Registration: DTC - GC

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### Account: **SISTERS OF CHARITY OF SAINT ELIZABETH**
**CROSSMARK GLOBAL**

**Comerica Bank**
Tax Lot Detail

Run on 11/5/2021 12:20:19 PM
As of 11/05/2021

**Combined Portfolios**
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**Investment Office:** CROSSMARK GLOBAL INVESTMENTS
**Investment Authority:** None

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Registration: DTC - GC

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Comerica Bank
MC 3462, PO Box 75000, Detroit, MI 48275 • 411 West Lafayette Boulevard, Detroit, MI 48226 • Comerica.com
November 8, 2021

Matthew Orlando  
Worldwide Vice President, Corporate Governance  
ATTN: Office of the Corporate Secretary  
Johnson & Johnson  
One Johnson & Johnson Plaza  
New Brunswick, NJ 08933  
Email: Mortland3@ITS.JNJ.COM

Dear Mr. Orlando,

Trinity Health is submitting the attached proposal (the “Proposal”) pursuant to the Securities and Exchange Commission’s Rule 14a-8 to be included in the proxy statement of Johnson & Johnson (the “Company”) for its 2022 annual meeting of shareholders. Trinity Health is co-filing the Proposal with lead filer Oxfam America, Inc. (“Oxfam”). We authorize Oxfam to engage with the company on our behalf.

In its submission letter, Oxfam will provide dates and times on which we, along with Oxfam and any other co-filers that are participating, can meet during the post-filing period as required by Rule 14a-8(b)(iii).

Trinity Health has continuously beneficially owned, for at least three years as of the date hereof, at least $2,000 worth of the Company’s common stock. Verification of this ownership is enclosed. Trinity Health intends to continue to hold such shares through the date of the Company’s 2022 annual meeting of shareholders.

If you have any questions or need additional information. I can be contacted at (718) 822-0820 or by email at rowancm@trinity-health.org

Sincerely,

[Signature]

Catherine Rowan

enc.
SHAREHOLDER PROPOSAL REGARDING
GOVERNMENT FINANCIAL SUPPORT AND
ACCESS TO COVID-19 VACCINES AND THERAPEUTICS

RESOLVED that shareholders of Johnson & Johnson ("JNJ") ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

SUPPORTING STATEMENT

Janssen has received substantial government funding for COVID-19 related research and development. In February 2020, Janssen entered into a "collaborative partnership" with U.S. Biomedical Advanced Research and Development Authority ("BARDA"), receiving $456 million in federal funding to develop a COVID-19 vaccine.1 BARDA provided $152 million for Janssen and a partner to develop therapeutics.2 BARDA committed $1 billion more in August 2020 to expand Janssen’s vaccine manufacturing capability.3 In November 2020 BARDA committed an additional $454 million to finance Phase III vaccine trials.4

JNJ has been distributing its COVID-19 vaccine on a "nonprofit" basis, but that commitment is limited to "emergency pandemic use."5 CFO Joseph Wolk predicted that nonprofit pricing would conclude by the end of 2021.6

JNJ has not clarified what "nonprofit" means when the government funds a significant portion of the research and development cost. If COVID-19 vaccines must be readministered regularly, as many experts predict,7 demand will outlast the pandemic. The potential market will be vast.

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7 E.g., https://www.nature.com/articles/d41586-020-02278-5.
Scaling up production of low-cost vaccine is critical to ensuring universal access, which can prevent domestic outbreaks, reignite the global economy, and boost investor returns. As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents. Accordingly, JNJ faces enormous pressure to share intellectual property associated with the vaccines or therapeutics that public entities like BARDA fund. However, Janssen’s agreements with BARDA have been criticized for limiting the government’s intellectual property rights, which could restrict mass production commensurate with global need—increasing price, decreasing supply and preventing universal access. The company has met only a fraction of its production goals – delivering about thirteen percent of promised doses, missing significant profits as a result - which comes at the expense of the company’s reputation, investors’ returns, and those dying of COVID-19.

JNJ references tiered pricing espoused by the Gates Foundation as informing pricing, yet tiered pricing structures exclude low- and middle-income countries that cannot pay unaffordable prices. The company does not disclose how public financial support factors into its s approach to ensuring access for its COVID-19 products. This Proposal asks JNJ to explain how the significant contribution from public entities affects its actions, including pricing, that impact access to COVID-19 products.

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12 Analysis of Airfinity data (29th October 2021).
TO WHOM IT MAY CONCERN,

Please accept this letter as verification that as of November 8, 2021 Northern Trust as custodian held for the beneficial interest of Trinity Health 126,104 shares of Johnson & Johnson.

As of November 8, 2021 Trinity Health has held at least $2,000 worth of Johnson & Johnson continuously for over three years. Trinity Health has informed us it intends to continue to hold these shares through the date of the company’s next annual meeting.

This letter is to confirm that the aforementioned shares of stock are registered with Northern Trust, Participant Number 2669, at the Depository Trust Company.

Sincerely,

Karson Burchett  
2nd Vice President  
The Northern Trust Company  
50 South La Salle Street  
Chicago, Illinois 60603
EXHIBIT C

(see attached)

In signing the communiqué, Johnson & Johnson and 15 other life science companies are committing to prioritize the safety, science and accessibility of the potential vaccines, therapeutic medicines or diagnostic tools they are developing to help fight the pandemic.

By Johnson & Johnson, September 30, 2020

COVID-19 changed the world as we know it this year, and life science companies around the globe have been hard at work for months in the fight against the virus, banding together to launch the most expansive and ambitious pandemic research and development response effort in history.

Today, CEOs from 16 of those companies and Bill and Melinda Gates, co-chairs of the Bill & Melinda Gates Foundation, have signed a landmark Communiqué on Expanded Global Access commitment to ensure that people everywhere have access to the potential COVID-19 innovations under development at the companies—regardless of their income level. The agreement calls on governments, NGOs and other stakeholders to join the cause and help accelerate the end of the pandemic.
“Johnson & Johnson stands alongside our peers and the Bill & Melinda Gates Foundation in our unwavering commitment to equitable global access to the medicines and innovations being developed to fight the COVID-19 pandemic,” says Alex Gorsky, Chairman and CEO, Johnson & Johnson. “Since the beginning of our COVID-19 response, Johnson & Johnson has been committed to bringing forward a safe, effective and affordable vaccine on a not-for-profit basis for emergency pandemic use, while also focusing on making sure the vaccine candidate will be accessible globally. Decisive, collaborative action now will help us beat this pandemic and better prepare us for future virus outbreaks.”

Here are some highlights from the Communiqué on Expanded Global Access, announced this morning during the U.N. General Assembly—and what this historic pledge means for people across the globe.

1. Johnson & Johnson has signed the commitment along with 15 other life science companies.

Each of the signing companies—AstraZeneca; Bayer; bioMérieux; Boehringer Ingelheim; Bristol Myers Squibb; Eisai; Eli Lilly; Gilead; GSK; Johnson & Johnson; Merck & Co. (known as MSD outside the U.S. and Canada); Merck KGaA, Darmstadt, Germany; Novartis; Pfizer; Roche; and Sanofi—have agreed to follow a specific set of five principles outlined in the communiqué to help ensure global access to potential vaccines, therapeutics and diagnostics that could help accelerate the end of the pandemic.

2. Each company has pledged to make their products affordable for lower-income countries.

While each company will have its own approach for ensuring that this goal is met, solutions could include donations, not-for-profit supply or equity-based tiered pricing based on a country’s needs and capabilities.

Johnson & Johnson, for instance, stated at the beginning of its COVID-19 response that it was committed to bringing an affordable vaccine to the public on a not-for-profit basis for emergency pandemic use.
3.

The communiqué calls for more diverse representation at all levels of innovation.

In order to create potential COVID-19 diagnostics, therapeutics and vaccines that can meet the needs of populations around the world, the signing companies have agreed to expand the diversity of their clinical trials to include lower-income settings and address the specific product characteristics that might be needed for use in those settings.

The signing companies are also calling on governments, NGOs and other companies to diversify the voices heard when it comes to critical decision-making as it pertains to COVID-19, with special emphasis on ensuring low-income and lower-middle-income countries are represented.

4.

This is not Johnson & Johnson’s first partnership with the Bill & Melinda Gates Foundation.

Ten years ago, Johnson & Johnson joined other pharmaceutical companies and organizations, including the Bill & Melinda Gates Foundation, to endorse the London Declaration on Neglected Tropical Diseases—a landmark pledge to donate existing treatments and develop new tools to help combat such illnesses as dengue and leprosy.

At that time, Johnson & Johnson committed to giving 200 million doses of mebendazole—a medication that fights intestinal worm infections, which impact approximately 1.5 billion people worldwide—annually through 2020 via a donation program operated by the World Health Organization.

In 2019, the company extended that commitment another five years and pledged to donate an additional 1 billion doses of the medication for high-burden countries starting in 2021 and going through 2025.
The agreement aims to build and maintain confidence in the innovations that the companies are developing.

Safety is of the highest priority, which is why the signing companies have agreed to adhere to the strictest scientific and ethical standards in their product development and manufacturing processes, as well as in the approval mechanisms for potential diagnostics, therapeutics and vaccines by ensuring robust safety and efficacy reviews.

Earlier this month, Johnson & Johnson also announced that, alongside eight other companies working on investigational COVID-19 vaccines, it was signing a #WeStandWithScience pledge committed to upholding the integrity of the scientific process as the companies work towards potential global regulatory filings and approvals of the first vaccines for COVID-19.
EXHIBIT D

(see attached)
Johnson & Johnson Announces Plans to Separate Consumer Health Business

OUR COMPANY

Johnson & Johnson Announces a Lead Vaccine Candidate for COVID-19; Landmark New Partnership with U.S. Department of Health & Human Services; and Commitment to Supply One Billion Vaccines Worldwide for Emergency Pandemic Use

Johnson & Johnson and BARDA Together Commit More than $1 Billion to Novel Coronavirus Vaccine Research and Development; Company Expects to Initiate Phase 1 Human Clinical Studies of Vaccine Candidate at Latest by September 2020

Johnson & Johnson Will Establish New U.S. Vaccine Manufacturing Capabilities and Additional Production Capacity Outside the U.S. to Begin Production at Risk to Help Ensure Global Vaccine Supply

NEW BRUNSWICK, N.J., March 30, 2020 — Johnson & Johnson (NYSE: JNJ) (the Company) today announced the selection of a lead COVID-19 vaccine candidate from constructs it has been working on since January 2020; the significant expansion of the existing partnership between the Janssen Pharmaceutical Companies of Johnson & Johnson and the Biomedical Advanced Research and Development Authority (BARDA); and the rapid scaling of the Company’s manufacturing capacity with the goal of providing global supply of more than one billion doses of a vaccine. The Company expects to initiate human clinical studies of its lead vaccine candidate at the latest by September 2020 and anticipates the first batches of a COVID-19 vaccine could be available for emergency use authorization in early 2021, a substantially accelerated timeframe in comparison to the typical vaccine development process.

Through a landmark new partnership, BARDA, which is part of the Office of the Assistant Secretary for Preparedness and Response (ASPR) at the U.S. Department of Health and Human Services, and Johnson & Johnson together have committed more than $1 billion of investment to co-fund vaccine research, development, and clinical testing. Johnson & Johnson will use its validated vaccine platform and is allocating resources, including personnel and infrastructure globally, as needed, to focus on these efforts. Separately, BARDA and the Company have provided additional funding that will enable expansion of their ongoing work to identify potential antiviral treatments against the novel coronavirus.

As part of its commitment, Johnson & Johnson is also expanding the Company’s global manufacturing capacity, including through the establishment of new U.S. vaccine manufacturing capabilities and scaling up capacity in other countries. The additional capacity will assist in the rapid production of a vaccine and will enable the supply of more than one billion doses of a safe and effective vaccine globally. The Company plans to begin production at risk imminently and is committed to bringing an affordable vaccine to the public on a not-for-profit basis for emergency pandemic use.

Alex Gorsky, Chairman and Chief Executive Officer, Johnson & Johnson, said, “The world is facing an urgent public health crisis and we are committed to doing our part to make a COVID-19 vaccine available and affordable globally as quickly as possible. As the world’s largest healthcare company, we feel a deep responsibility to improve the health of people around the world every day. Johnson
& Johnson is well positioned through our combination of scientific expertise, operational scale and financial strength to bring our resources in collaboration with others to accelerate the fight against this pandemic.

Paul Stoffels, M.D., Vice Chairman of the Executive Committee and Chief Scientific Officer, Johnson & Johnson, said, “We greatly value the U.S. government’s confidence and support for our R&D efforts. Johnson & Johnson’s global team of experts has ramped up our research and development processes to unprecedented levels, and our teams are working tirelessly alongside BARDA, scientific partners, and global health authorities. We are very pleased to have identified a lead vaccine candidate from the constructs we have been working on since January. We are moving on an accelerated timeline toward Phase 1 human clinical trials at the latest by September 2020 and, supported by the global production capability that we are scaling up in parallel to this testing, we expect a vaccine could be ready for emergency use in early 2021.”

Johnson & Johnson’s Lead COVID-19 Vaccine Candidate
Johnson & Johnson began efforts in January 2020, as soon as the novel coronavirus (COVID-19) sequence became available, to research potential vaccine candidates. Research teams at Janssen, in collaboration with Beth Israel Deaconess Medical Center, part of Harvard Medical School, constructed and tested multiple vaccine candidates using the Janssen AdVac® technology.

Through collaborations with scientists at multiple academic institutions, the vaccine constructs were then tested to identify those with the most promise in producing an immune response in preclinical testing.

Based on this work, Johnson & Johnson has identified a lead COVID-19 vaccine candidate (with two back-ups), which will progress into the first manufacturing steps. Under an accelerated timeline, the Company is aiming to initiate a Phase 1 clinical study in September 2020, with clinical data on safety and efficacy expected to be available by the end of the year. This could allow vaccine availability for emergency use in early 2021. For comparison, the typical vaccine development process involves a number of different research stages, spanning 5 to 7 years, before a candidate is even considered for approval.

For more than 20 years, Johnson & Johnson has invested billions of dollars in antivirals and vaccine capabilities. The COVID-19 vaccine program is leveraging Janssen's proven AdVac® and PER.C6® technologies that provide the ability to rapidly develop new vaccine candidates and upscale production of the optimal vaccine candidate. The same technology was used to develop and manufacture the Company's Ebola vaccine and construct our Zika, RSV, and HIV vaccine candidates which are in Phase 2 or Phase 3 clinical development stages.

Expanded Antiviral Research
In addition to the vaccine development efforts, BARDA and Johnson & Johnson have also expanded their partnership to accelerate Janssen’s ongoing work in screening compound libraries, including compounds from other pharmaceutical companies. The Company’s aim is to identify potential treatments against the novel coronavirus. Johnson & Johnson and BARDA are both providing funding as part of this partnership. These antiviral screening efforts are being conducted in partnership with the Rega Institute for Medical Research (KU Leuven/University of Leuven), in Belgium.

As announced in February 2020, the Company and BARDA have been working closely with global partners to screen Janssen’s library of antiviral molecules to accelerate the discovery of potential COVID-19 treatments.

COVID-19 belongs to a group of viruses called coronaviruses that attack the respiratory system. There is currently no approved vaccine, treatment or cure for COVID-19.

For more information on Johnson & Johnson's multi-pronged approach to combatting the pandemic, visit: www.jnj.com/coronavirus.

###
About Johnson & Johnson
At Johnson & Johnson, we believe good health is the foundation of vibrant lives, thriving communities and forward progress. That’s why for more than 130 years, we have aimed to keep people well at every age and every stage of life. Today, as the world’s largest and most broadly-based healthcare company, we are committed to using our reach and size for good. We strive to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere. We are blending our heart, science and ingenuity to profoundly change the trajectory of health for humanity. Learn more at www.jnj.com. Follow us at @JNJNews.

About the Janssen Pharmaceutical Companies
At Janssen, we're creating a future where disease is a thing of the past. We're the Pharmaceutical Companies of Johnson & Johnson, working tirelessly to make that future a reality for patients everywhere by fighting sickness with science, improving access with ingenuity, and healing hopelessness with heart. We focus on areas of medicine where we can make the biggest difference: Cardiovascular & Metabolism, Immunology, Infectious Diseases & Vaccines, Neuroscience, Oncology, and Pulmonary Hypertension. Learn more at www.janssen.com. Follow us at @JanssenGlobal.

Notice to Investors Concerning Forward-Looking Statements
This press release contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 regarding development of potential preventive and treatment regimens for COVID-19. The reader is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of the Janssen Pharmaceutical Companies and/or Johnson & Johnson. Risks and uncertainties include, but are not limited to: challenges and uncertainties inherent in product research and development, including the uncertainty of clinical success and of obtaining regulatory approvals; uncertainty of commercial success; manufacturing difficulties and delays; competition, including technological advances, new products and patents attained by competitors; challenges to patents; product efficacy or safety concerns resulting in product recalls or regulatory action; changes in behavior and spending patterns of purchasers of health care products and services; changes to applicable laws and regulations, including global health care reforms; and trends toward health care cost containment. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson’s Annual Report on Form 10-K for the fiscal year ended December 29, 2019, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” and in the company’s most recently filed Quarterly Report on Form 10-Q, and the company’s subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, www.jnj.com or on request from Johnson & Johnson. None of the Janssen Pharmaceutical Companies nor Johnson & Johnson undertakes to update any forward-looking statement as a result of new information or future events or developments.

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EXHIBIT E

(see attached)
Johnson & Johnson Announces Plans to Separate Consumer Health Business

LATEST NEWS  Employee Spotlight

The Impact of COVID-19 on a Company: 6 Questions for the Chief Financial Officer of Johnson & Johnson

When you’re the CFO of a company, you have a holistic view of how a pandemic can touch every aspect of a business, especially when it’s a healthcare company. So we posed inquiring mind questions to Joe Wolk about what the past eight months have been like for him at the financial helm of the company—via a Zoom interview.

By Liz Ozaist, Global Content Lab Editor-in-Chief, Johnson & Johnson,  September 24, 2020

The year 1944 was historic for Johnson & Johnson. On September 24, under the leadership of Robert Wood Johnson, the company went public with a listing on the New York Stock Exchange and its initial public offering of stock (IPO).

The year 2020 has also been a historic one for Johnson & Johnson as it works to help address the current COVID-19 pandemic—an event that has proven to be unprecedented for people the world over.
It's also an event that has touched every aspect of the company, from scientists who have been clocking countless hours researching an investigational COVID-19 vaccine to manufacturing employees who have worked equally hard to ensure that supplies of products like Tylenol® are available to people who need them most.

To commemorate the anniversary of Johnson & Johnson's IPO, we connected with the company's Chief Financial Officer and Executive Vice President, Joe Wolk, to look beyond the numbers and discuss how the pandemic has impacted the company's three core segments—and how he has leveraged his over-20-year tenure with Johnson & Johnson to help guide the company during this truly unique time in history.

Q: Scientists at the Janssen Pharmaceutical Companies of Johnson & Johnson are hard at work on an investigational COVID-19 vaccine. Should it be proven to be viable, the company has stated that it would provide the vaccine for emergency pandemic use on a not-for-profit basis. How exactly would this work?

A: Joe Wolk: That's a great question because companies traded on the New York Stock Exchange typically don't utilize not-for-profit business models. Essentially, in simplest terms, it means distributing the vaccine at a cost to payers that covers our costs, such as development, clinical trials required and manufacturing and distribution.

While this may seem straightforward, it can still be subject to many different interpretations. Given this, we are anchoring our not-for-profit pricing based on a formula established and utilized by the Bill & Melinda Gates Foundation (BMGF) for vaccine product pricing in lower-income countries.
During the initial emergency pandemic use period, we felt it was important to do our part to remove barriers to access and that people not have to worry about the price of a potential vaccine. That said, responsible pricing is nothing new for Johnson & Johnson.

The net price for our medicines in the U.S. has decreased in each of the last four years across our entire pharmaceutical portfolio—and we’ll continue to act responsibly in this regard. Our success is tied to innovation that addresses unmet medical needs, not price increases.

Q: This decision also speaks to the tenets outlined in Our Credo, the company’s guiding mission statement.

A: Absolutely. It reminds me of the scenario that was in front of me when I was CFO for our pharmaceuticals group in North America and Ebola first emerged. We made the decision then to pursue research and development on a vaccine even though it wouldn’t provide the financial returns typically associated with risk-based development—we knew we had a responsibility to help combat Ebola to benefit society.

The situation today is not too different, and highlights the relevance of the fourth paragraph of Our Credo: It’s critically important that we’re not just getting by on financial performance, but that we are financially strong. That muscle provides us the latitude to live into the other three paragraphs of Our Credo more profoundly—enabling us to do things like invest above benchmark in innovation, ensure employees are fairly rewarded, and act in a way that has a positive impact on the community.

Our Credo (shown here at corporate headquarters in New Brunswick, New Jersey) has the word "must" in it 22 times. That’s a very unequivocal word. "Must" cannot be interpreted as "if you feel like it" or "if the time is right." It’s an obligation, a commitment, that creates a nice, healthy tension whereby we make responsible choices, weighing the interests of all stakeholders.

Q: Johnson & Johnson is uniquely positioned to persevere during this challenging time due in part to its broadly based portfolio. How has the pandemic affected the company’s three core
pandemic.

Medical devices has seen the most pronounced impact. When you look at our portfolio, about two-thirds of our products are used in elective procedures, and we saw restrictions placed on those procedures across the globe early in the pandemic. That segment of the market is recovering nicely as more people have returned to hospitals and physicians to undergo these important medical procedures.

So, in summary, the valleys weren't as deep as we thought initially, and the recovery occurred quicker than we assumed. And we'll get better clarity going into the fourth quarter as summer is naturally a slower time for hospital visits and procedures, But I would say a recovery is well underway.

In consumer health, we saw a significant uptake in what was known as "pantry loading." It was a need for self care, where people were saying to themselves: I'm going to be prepared in case I need these solutions at my disposal.

For example, we saw a surge in demand for Tylenol—and the team did a great job to meet this elevated demand. Perhaps the most unique story relates to Listerine® sales, which were extremely strong in the first quarter. The theory one person offered was that people are wearing masks and realizing they've got bad breath. I can't speak to whether that's true or not, but it's not irrational!

Finally, our pharmaceutical segment continued to shine. Many of our lifesaving or life-enhancing therapies are for very severe disease states within immunology, oncology, neuroscience and infectious diseases. Given the often chronic nature of these ailments, those treatments continued to be maintained pretty well for patients.

Our business has been a tale of all cities in terms of ups and downs, But I do believe Johnson & Johnson is emerging stronger because of the breadth of our portfolio and our relentless drive towards innovation across all three segments during the pandemic.

"The resiliency of Johnson & Johnson employees and our business, coupled with a spirit of learning

Today's Top Reads
situation and solve it in a way that improves a process or outcome for the long-term, has been inspiring to experience.

Q: Speaking of innovation, has the pandemic presented new ways of thinking about healthcare that have intrigued you in any way?

A: We’ve seen the emergence of and growth in telehealth visits on a large scale, which I think is here to stay.

People are finding they’re getting more dedicated time with their doctors in this way—we have heard patients and physicians can have a solid conversation for 30 minutes without distractions.

Along the same lines, the pandemic has also presented a greater opportunity to harness technology as it relates to better preventive care by being able to self-monitor your health in a technologically enabled way, which could be a growth area for the broader industry.

Q: The company recently announced that it has entered into a definitive agreement to acquire Momenta Pharmaceuticals, Inc. The world is so focused on COVID-19, but it’s important to...
treatments may be.

**Momenta Pharmaceuticals** provides another opportunity, complementing the expertise and capabilities we already have within our immunology team related to *autoimmune diseases*.

It also goes back to the fourth paragraph of Our Credo—we are financially strong and have the financial muscle, strength and creditworthiness to purchase a company that will play into our long-term success and our commitment to ensuring good health is within reach of everyone, everywhere.

**Q:** It goes without saying that we are all living through an unprecedented time, but how has this moment in time evolved your own approach and viewpoint on your work as CFO?

**A:** If you would have told me on January 1 of this year, "You're going to close your books for the first, second and likely third quarters with 99% of the team working remote," it would have made me a little nervous.

But the resiliency of Johnson & Johnson employees and our business, coupled with a spirit of learning and innovation to tackle a challenging situation and solve it in a way that improves a process or outcome for the long term, has been inspiring to experience.

When you have a situation like this, our teams don't get *mired in* concerns of how they are going to get through this. Instead, they ask: "How can I lead through this?"

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✨ 309
Production Economics for Vaccines
CONTACT INFORMATION

It is the hope of the foundation that vaccine Production Economics (PE) assessments will be completed collaboratively with manufacturers through transparent dialog and data sharing. We find that this approach leads to the most accurate assessments and ultimately supports the best strategies for partnering to achieve healthy vaccine markets.

Do not hesitate to reach out to the foundation with any questions or comments on PE assessments. Please contact Robyn Iqbal or Tina Lorenson in Vaccine Delivery – Market Dynamics.

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Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation aspires to help all people lead healthy, productive lives. We are dedicated to discovering and disseminating innovative approaches to addressing extreme poverty and poor health in developing countries and improving the U.S. education system. Because our financial resources, while significant, represent a small fraction of what’s needed to address these challenges, we work in partnership with governments, the private sector, and other donors and organizations to achieve the greatest possible impact.

For additional information on the Bill & Melinda Gates Foundation, please visit our website: www.gatesfoundation.org.

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Introduction

The mission of the Bill & Melinda Gates Foundation (the foundation) is to help all people lead healthy, productive lives. Specifically, the Global Development Division at the foundation works to help the world’s poorest people lift themselves out of hunger and poverty, while the Global Health Division aims to harness advances in science and technology to save lives. We work with partners to provide proven tools—including vaccines, drugs, and diagnostics—and to discover novel solutions that are both affordable and reliable. Equally important is innovation in how health interventions are delivered to those who need them most.

In collaboration with Gavi Alliance partners, the foundation develops vaccine market strategies to ensure affordable and sustainable access to vaccines in lower-income countries. When investments can support our market goals, the foundation has a variety of investment tools (e.g., grants, loans, guarantees, etc.) that can create mutually beneficial opportunities with manufacturers. When evaluating and structuring these investments, we find it critical to have a strong and reliable understanding of a manufacturer’s Production Economics (PE). Core to understanding PE, is understanding a manufacturer’s fully loaded cost base for a product, from the initial costs of discovery and development through manufacturing and final packaging, with allocations made as appropriate. Throughout this handbook we use the term PE to refer to this core component. Within this handbook we also use the term Production Economics Cost of Goods Sold (PE COGS) to refer to all costs associated with the definition of PE above.

Use of a robust and comprehensive methodology to assess PE is core to a fair and sustainable market—for both countries and manufacturers. Specifically, it is important for:

- Ensuring access and affordability of vaccines and other health-related products in lower-income markets; and
- Assuring that the manufacturers serving these markets earn an appropriate return on investment that allows the production of such vaccines and other health-related products to be beneficial for the manufacturer and its stakeholders.

As an organization that values vaccines and the positive impact they have on global health, the foundation recognizes the importance of balancing these two goals and in being transparent in how we evaluate PE. As such, the foundation is sharing this handbook with manufacturers and other relevant partners. This handbook contains details on the standard methodology the foundation uses to evaluate the PE of a vaccine produced by a specific manufacturer in a particular market. We recognize that manufacturers may internally account for these costs in different ways, and the intent of developing this methodology is for the foundation to have and use a consistent and standardized approach to PE in order to evaluate different investment opportunities in a more accurate and reliable way.

Use of a robust and comprehensive methodology to assess PE is core to a fair and sustainable market.
Background

This handbook is focused on PE for vaccines, and specifically for vaccines intended for global health. Vaccines save millions of lives each year and are among the most cost-effective health interventions. That said, vaccines are often too expensive for the world’s poorest countries, and supply shortages as well as downstream delivery obstacles pose challenges to access.

As a collaborator on the Global Vaccine Action Plan (GVAP), the foundation is committed to a framework that aims to prevent millions of deaths by 2020 through more equitable access to existing vaccines for people in all communities. In addition, as part of the broader vaccine community, the foundation supports the innovation needed to develop new vaccines and associated delivery technologies. As such, the foundation’s Global Health Division invests heavily in vaccines to prevent infectious diseases (including improvements on current vaccines as well as new vaccines), related health interventions, and supporting technologies. The foundation focuses its investments on increasing vaccine access for the 73 Gavi eligible countries with the goal of creating equal access to new and underused vaccines for children living in the world’s poorest countries.

When developing strategies to achieve healthy vaccine markets and considering specific investments, the foundation is mindful of economic considerations and tradeoffs involved in the development and commercialization of a vaccine. The foundation establishes an intervention target product profile (iTTPP) for priority vaccines to define minimal and optimal parameters for vaccines, as this helps to guide product development investment decisions. PE is one of the important parameters defined in the iTTPP, as it directly informs global access and affordability.

We recognize that vaccine pricing must be sustainable for manufacturers, and therefore the price must also incorporate profit and risk, and that acceptable values for these elements will vary by manufacturer for numerous reasons. Furthermore, having a strong understanding of PE helps the foundation and manufacturers participate in a transparent conversation about pricing to ensure that an investment will be both fair and sustainable for the manufacturer and also have the intended global health impact. When a manufacturer is willing to collaborate and contribute to the foundation’s understanding of PE, our shared understanding of PE will be deeper, and subsequent conversations around investments will be more informed.

Pricing discussions aim to ensure sustainability for a manufacturer and its ability to meet the intended global health impact.

Note that the PE methodology and principles outlined in this handbook are specific to vaccines, but may also be extended to other biologics such as monoclonal antibodies.
How to Use This Handbook

The intention of this handbook is for use in the following ways:

1. To gain familiarity with the foundation’s approach to calculating PE COGS so differences in an individual manufacturer’s approach can be identified and can inform discussions (note there is not an expectation that manufacturers conform to the foundation’s approach for the manufacturer’s own internal accounting purposes)
2. To guide PE COGS calculations by manufacturers
3. To provide guidance for partner organizations calculating PE COGS on the foundation’s or a manufacturer’s behalf

The methodology outlined in this handbook can be applied to commercialized vaccines as well as to vaccines in the earliest stages of development. In many instances, an organization—be it a manufacturer or public health organization—is concerned not with the overarching PE of a vaccine, but more specifically the PE of that vaccine related to specific countries or regions, such as the Gavi market.

Further, the foundation recognizes that there are, at times, significant costs that extend beyond the PE of the manufacturer (e.g., downstream delivery) that are part of the total systems costs of a given vaccine. While the foundation is simultaneously working to estimate and reduce these costs, these costs are outside the scope of this handbook, which focuses on costs specific to a given vaccine manufacturer.

Organization of This Handbook

The remainder of this handbook outlines the principles and methodologies for assessing the PE for a vaccine; it is organized into the following sections:

- **Overview** provides an executive summary of the foundation’s approach to PE;
- **Data Collection Methodologies** discusses the foundation’s approach to collecting data to assess PE;
- **Determining Production Economics Costs** presents an overview of the types of costs and cost categories appropriate for assessing PE;
- **Allocation of Costs** details how to properly allocate costs so the PE is specific to a vaccine and market; and
- **Impact of Economic Variables** describes micro- and macroeconomic variables as well as other economic factors that have an impact on PE over time.

Downstream delivery costs are not included in the foundation’s approach to calculating PE COGS.

**Navigating the Handbook**

The following elements will alert you to other resources or information that may be helpful while reviewing this handbook.

- **Bold blue terms** are jump links to and from the glossary section.
- **The computer icon** indicates information relevant to the workbook that can be found at:
  
  https://docs.gatesfoundation.org/Documents/PE_Vaccines_Appendix_2016.xlsm
Executive Summary

The foundation uses a standardized methodology to evaluate the PE of a particular vaccine in a particular market to ensure that all relevant cost categories are captured, and captured in a consistent way. Costs incurred throughout the product life cycle of a vaccine can be grouped into the following specific cost categories:

- **Product Development**: Costs incurred to discover, develop, and bring a vaccine to market [e.g., upfront R&D, clinical trials, regulatory approval including WHO Prequalification (WHO PQ), etc.].
- **Facilities and Equipment**: Costs associated with fixed assets. Includes capitalized costs that depreciate over time [e.g., land, buildings, machinery, etc.] as well as ongoing costs of upkeep [e.g., repairs and maintenance, utilities, etc.];
- **Direct Labor**: Employee costs [e.g., wages, benefits] directly attributable to a specific vaccine;
- **Consumables**: Raw materials used as inputs in production of a specific vaccine;
- **Overhead**: Costs necessary for the manufacturer to incur in order to function, but not directly attributable to a specific vaccine. This handbook makes a distinction between two types of overhead: **Indirect Overhead** [e.g., plant management salaries, wages, training, etc.] for indirect expenses associated with plant management at each stage in the production process and **Corporate Overhead** [e.g., C-suite salaries, centralized back-office functions, insurance] for indirect expenses associated with the broader infrastructure of the manufacturer;

- **Commercialization**: Expenses incurred post regulatory approval associated with selling and marketing the product in the relevant market [e.g., advertising, marketing, distribution, etc.]; and
- **Licensing**: Any income received [or expenses paid] for granting [or licensing] the right to use product-related intellectual property in order to produce the vaccine [e.g., technology]. Any income received would be included as an offset to costs.

Along with costs incurred, these inputs impact costs—potentially reducing PE COGS—and should be included:

- **Third-Party Contributions**: All contributions [e.g., grants, loans, subsidies] from governments and other third-party [i.e., non-foundation] organizations are included to capture their impact on costs; and
- **Foundation Contributions**: All contributions [e.g., grants, loans] from the foundation are included as an impact to costs.

Third-party contributions such as grants, loans, and subsidies may reduce PE COGS.

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3 The categorization between R&D, regulatory expenses, and marketing expenses can be a blurred line [e.g., clinical trials done to comply with regulatory organizations, local market registration that can be considered commercialization]. As such, for the purposes of this handbook, we use the term Product Development to encompass all activities and associated costs incurred by a manufacturer to achieve commercial production of a vaccine [e.g., discovery, trials, PQ, local market registration]. To the extent that a detailed breakout of these costs is available, it will be taken into account. Please note that there is also a separate Commercialization category; however it is intended only to include sales and marketing (to the extent it exists), as local market registration will fall under Product Development.
These cost categories are designed to be general enough to cover all applicable costs. Depending on the level of detail available, each of these cost categories may represent the aggregation of a number of more detailed cost categories, or in the case of less detail, data may need to be segmented based on a reasonable allocation key in order to map to these cost categories. In either case, it is important to confirm that costs are not double counted (i.e., by inclusion in more than one category).

Further, the foundation’s data collection methodology as described within this handbook places an emphasis on data collection by production step, to the extent available. Collecting data and assessing the components by production step is driven by the foundation’s desire to more fully understand the drivers of PE. This understanding can shape the foundation’s investment construct to best support a manufacturer’s needs and can also help identify potential areas for cost reductions, which in turn can improve affordability and sustainability.

While the foundation recognizes that manufacturers may not keep costs in a format consistent with the production steps laid out in this handbook, to the extent possible, segmenting relevant cost categories by these four main commercial production steps allows for further insights to be made from the PE assessment.

The four commercial production steps are:

1. Bulk: Costs incurred in the production of the bulk product, including both upstream and downstream processes, but before any formulation, filling, and finishing occurs. For vaccine production, bulk production is often the most complex and costly of the four steps, and typically includes a cell culture or fermentation stage followed by some combination of recovery, purification, and/or conjugation unit operations to arrive at a final bulk vaccine product;

2. Formulation, Filling, and Finishing (Form/Fill/Finish): Costs incurred during the production of final dosage form, including formulation (e.g., adjuvantation and lyophilization), aseptic filling, and finishing steps of the production process, including vial labeling before any secondary packaging;

3. Secondary Packaging: Costs incurred during packaging of the final dosage form, commonly referred to as secondary packaging. This will generally include activities such as putting finished vaccines into cartons and preparing them for shipment. This also includes all warehousing costs; and

4. QA/QC: Costs involved with quality control and quality assurance testing. These activities may occur at multiple points throughout the production process and therefore if possible, it is helpful to segment the related costs by the above production steps. To the extent that these costs are already embedded in the above production steps and cannot be broken out, it is important not to double count.

The diagram below displays the vaccine production process beginning with Product Development (as defined above) and moving into Commercial Production, which includes the four steps outlined previously. The fully loaded costs associated with a specific vaccine in a specific market may span both Product Development and Commercial Production.

**Diagram 1: Vaccine Production Process**

<table>
<thead>
<tr>
<th>PRODUCT DEVELOPMENT</th>
<th>COMMERCIAL PRODUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upfront R&amp;D (Discovery)</td>
<td>Bulk</td>
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<tr>
<td>Clinical Trials</td>
<td>Form/Fill/Finish</td>
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<tr>
<td>R&amp;D for NRA and WHO PQ</td>
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<tr>
<td>Other Regulatory</td>
<td>QA/QC</td>
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</tbody>
</table>
Data Collection Methodologies

IN THIS SECTION
Data Collection Process
Inside-out vs. Outside-in
Data Collection Templates
Identifying and Capturing Fully-Loaded Costs
Data Collection Process

The most accurate PE assessment will use the most reliable data available. Generally, this involves coordination with the manufacturer and review of available data (e.g., actuals, projections, analogs, etc.). When this information is not directly available, there are alternative means for collecting data to perform a PE assessment. Typically this involves relying on industry data (for the same or comparable vaccines), industry expert input, and/or institutional knowledge, as discussed in more detail below.

Inside-Out vs. Outside-In

While each PE assessment is unique to the facts and circumstances of the specific product and market (as well as the investment opportunity), there are generally three approaches for performing a PE assessment to understand the costs to produce a specific vaccine in a specific market:

1. **Inside-Out**: Data collection approach based on quantitative and qualitative manufacturer data and process information;

2. **Outside-In**: Data collection approach based on indirect sources of information such as conversations with third-party consultants/experts or applicable vaccine data from other sources (e.g., industry studies); and

3. **Hybrid**: A combination of the two above approaches generally comprised of using third-party sources to substantiate or augment manufacturer data and process information.

The selected approach is typically dictated by the availability and reliability of manufacturing/product-specific information. The Hybrid approach can be seen as a means to supplement an Inside-Out approach, particularly in situations where the available manufacturer data and process information are based on early stage projections (e.g., estimates of costs at commercial scale based on pilot facility) or when product-specific projections are not available. In those cases, a Hybrid approach can account for missing or ambiguous information through the use of industry benchmarks (e.g., obtained from internal and/or external experts) or the manufacturer’s experience with analog products.

When data and process information are not available, for whatever reason, using analog data can prove useful. Analog products can be later stage/commercialized products that have a similar production process as the product in question. It is also possible that different analogs can be used for each step in the production process, for example:

- The costs for a manufacturer that produces a four-valent HPV vaccine are known and a researcher wants to estimate the cost of a proposed nine-valent vaccine by the same manufacturer. The costs may be estimated by using the costs of the four-valent vaccine as a starting point and making adjustments based on known differences in the production process of the two vaccines (e.g., materials costs for additional antigens).

- A researcher wants to estimate the costs of a four-valent HPV vaccine produced by a different manufacturer. The costs may be estimated by starting with the known costs of producing the four-valent HPV vaccine and adjusting for differences in the manufacturer (e.g., production process, labor costs across geographies).
Using one or more of the above, a hypothetical production process model can be developed to project costs for an early stage product taking into account both specific product and manufacturer attributes. Often, this model can serve as a starting point for capturing production costs. Adjustments based on industry knowledge and/or direct manufacturer data can then be made for differences in production process (by step), manufacturing location, scale, etc. One should also be sure to capture fully loaded costs, including indirect costs, which can be overlooked in an analog analysis.

Based on experience, the Inside-Out (and in some cases Hybrid) approach is our preferred approach as the foundation finds direct manufacturer input (and data) to be particularly helpful in any PE assessment. Analyses based on an Outside-In approach tend to be the most high-level and are therefore often less accurate, on a relative basis. The Outside-In approach is typically the method of last resort relied upon when direct data is unavailable.

Data Collection Templates

The foundation has prepared the attached Excel template to ease and standardize data collection. Instructions for completion are self-contained within the template. In general, the tabs within the Excel template align with each of the major cost categories discussed in this handbook (see links throughout).

The foundation recognizes that manufacturers may each have their own format for keeping data (e.g., formats can be dependent upon internal accounting). To the extent that data does not align with the Excel templates provided, the foundation is open to alternative forms of initial data sharing. Ultimately, however, the foundation’s intent is to leverage the data provided by the manufacturer to conduct a PE assessment using the methodology described herein.

No information provided by any one manufacturer will ever be shared with any other manufacturer or organization without explicit consent.

Please note that any manufacturer data is treated as highly confidential. No information provided by any one manufacturer will ever be shared with any other manufacturer or organization without explicit consent.

Identifying and Capturing Fully Loaded Costs

The data collection templates present costs on both an absolute cost basis and a per-dose cost basis. Capturing costs (or ultimately calculating costs) on a per-dose basis allows for comparisons between and among vaccines on a more consistent basis.

In order to calculate costs on a per-dose basis, it is important to determine the appropriate denominator, which may vary by stage. For example, the appropriate denominator for bulk production may be mass or volume, whereas for finished dosage form, it may be units or doses. Care should be given to identify the volume actually produced or expected to be produced based on operational capacity. In other words, volume should be based on operational maximum capacity, which takes into account planned downtime for repairs and maintenance as well as batch failures, whereas theoretical maximum capacity is the maximum capacity obtained if a facility operates during all operating hours and has no wastage or downtime.
Volume for this calculation is therefore not the volume demanded by the market, the volume ultimately sold into the market, nor the manufacturer’s theoretical capacity. Instead, volume is calculated as the volume actually produced, which takes into account existing process capabilities, operational constraints (e.g., yields, equipment scale, single-product vs. multi-product operation, bottlenecks, changeover time, planned downtime, wastage, etc.), and appetite for risk.

Costs may also be expressed on a per-course basis in order to establish a consistent metric for total regimen costs across vaccines used to treat the same condition but require differing dosage regimens. A course is defined as the number of doses per regimen (e.g., there may be three doses per course) and can therefore easily be calculated by multiplying costs per dose by the number of doses per course.

Both per-dose and per-course costs should be calculated after any allocations are made such that costs are for the specified vaccine in the specific market of interest. (See the Allocations of Costs section for more detail on allocations.)

Volume is calculated as the volume actually produced, which takes into account existing operational constraints.
Determining PE Costs

IN THIS SECTION
- Organization of Types of Costs
- Costs by Production Step
- Types of Costs
Organization of Types of Costs

For the purposes of this handbook, there are different types of costs that are included in a PE assessment. These are defined in this section and discussed in detail throughout the remainder of the handbook. Note that manufacturers may have different methods of organizing costs and that the methodologies discussed below serve only to illustrate the reliable and consistent approach employed by the foundation in a PE assessment.

Costs incurred throughout the product life cycle of a vaccine can be grouped into specific cost categories. The cost categories included in this handbook are:

- Product Development;
- Facilities and Equipment;
- Direct Labor;
- Consumables;
- Overhead;
- Commercialization; and
- Licensing Costs.

Potential offsets to those costs include:

- Third-Party Contributions; and
- Foundation Contributions.

To the extent possible (and relevant), each cost category, specifically Direct Labor, Consumables, and Facilities and Equipment, should be segmented by production step. Additionally, throughput, yield, scale of operation, and operational capacity should be defined for each production step. These production steps are:

- Bulk;
- Form/Fill/Finish;
- Packaging; and
- QA/QC.

Cost categories are organized or grouped into different cost classifications. These cost categories are:

- Fixed;
- Variable; and
- Semi-variable.

These cost classifications reference how a given cost category is impacted by changes in volume. (Additional discussion on the impact of scale is discussed in the Impact of Economic Variables section).

Costs can also be dichotomized into direct costs and indirect costs, which differentiate costs based on whether they are solely relevant to a specific product in a specific market or are general costs that affect multiple products and/or multiple markets. (Direct and Indirect Costs are discussed further in the Allocation of Costs section).

Characterization of costs is important not only for standardization, but to understand how costs may move and change over time and at different volumes.
Costs by Production Step

The foundation’s data collection methodology as described within this handbook places an emphasis on data collection by production step, to the extent available. The desire to collect data and process information and to assess the components by production step is driven by the foundation’s goal to fully understand the drivers of PE. Particularly when manufacturers have limited or no cost data for commercial manufacturing (as in the case of a development-stage vaccine), process information is especially helpful in estimating PE COGS for commercial scale production. This understanding can help shape an appropriate investment construct and can also help identify potential areas for reductions in cost, which in turn can increase affordability and sustainability.

While the foundation recognizes that manufacturers may not keep costs in a format consistent with the production steps laid out in this handbook, to the extent possible segmenting relevant cost categories by these four main production steps can allow for further insights to be made from the PE assessment.

The four primary product steps are as follows (see details noted previously):

- Bulk
- Formulation, Filling, and Finishing (Form/Fill/Finish)
- Secondary Packaging
- QA/QC

As described above, it is also helpful to capture process information, including a description of major unit operations, process equipment, scale, and overall and step yields. Certain documents commonly developed by manufacturers, such as process flow diagrams, bills of materials, product specifications, and equipment lists are useful for this purpose.

Segmenting relevant cost categories by the main production steps allows for further insights to be made.
Types of Costs: Cost Classifications and Cost Categories

There are three broad types of costs into which the nature of the cost categories are classified: fixed, variable, and semi-variable.

- **Fixed costs** are costs that will not change as output increases or decreases and thus, by nature, will not be impacted in aggregate by changes in output. As such, per-dose fixed costs will decrease with an increase in output (up to a certain point) and vice versa, as the same total costs are being spread across a greater number of doses.

- **Variable costs** are costs that will increase directly with additional output. In other words, each additional unit produced will require additional variable costs.

- **Semi-variable costs** are costs that are correlated with output in aggregate, but not as directly as variable costs. The most common example of a semi-variable cost is direct labor, as labor costs will not increase with each additional unit of the vaccine produced in the same manner that consumables will, but the direct labor costs of production are still fairly sensitive to output.

Determining the nature of the costs included in each cost classification (i.e., fixed, variable, and semi-variable) is an important step in understanding how changes in volume will impact PE, and the impact that allocation methods will have on per-dose expenses (this point will be discussed in greater detail in the Allocation of Costs section). Note that certain cost categories (e.g., overhead) are comprised of a range of specific costs (e.g., IT systems, management) and may not fit into one cost classification. In addition, a specific cost category may have a different cost classification depending on the product and/or manufacturer.

The diagram below classifies each of the cost categories by the appropriate cost classification.

**DIAGRAM 2: SAMPLE COST CATEGORIES GROUPED BY COST CLASSIFICATIONS**

- **Fixed**
  - Product Development
  - Facilities & Equipment
  - Third-Party Financing Costs
  - Grants/Subsidies

- **Variable**
  - Consumables

- **Semi-Variable**
  - Direct Labor

- **Mixed**
  - Overhead
  - Commercialization
  - Licensing Costs
Fixed Costs

PRODUCT DEVELOPMENT

DEFINITION

Product development includes costs incurred by a manufacturer to discover, develop, and bring a vaccine to market. The two primary components of product development are research and development (R&D) and regulatory. Specifically, product development costs may include items such as:

- Discovery;
  - Clinical trials;
  - Animal studies, including preclinical toxicology
- CMC work, including analytical and process development, process validation, and formulation development
- R&D for national regulatory authorities (NRA);
- R&D for WHO PQ; and
- Regulatory expenses (e.g., filing fees).

Product development includes both general and product-specific items. Although all general product development costs will not be relevant to the specific product being analyzed, it is important to understand all costs a manufacturer bears and potentially make allocations of general costs as appropriate.

GUIDELINES

To the extent that product development costs relate to multiple products and/or multiple markets, these costs should be allocated using the methods discussed in the Allocation of Costs section. For accounting purposes, product development costs are typically expensed in the year they are incurred, rather than capitalized.

However, to smooth out costs and ensure that all relevant investment costs are included (these are calculated at a particular point in time), product development costs directly related to the vaccine should be capitalized over a relevant period of time (referred to as the useful life) and be included through amortization. This treatment allows for product development expenses to be converted to an annual amount, which can in turn be divided by annual production volume to arrive at a per-dose cost. It is important to note that there is no standard amortization schedule, but the remaining patent life (or a reasonable proxy) of the vaccine or the remaining life of the vaccine before it is replaced by a competitor’s product or new version of the same vaccine (e.g., Prevnar 13 vs. Prevnar 7) is often used as an estimate. In our experience, useful life typically ranges from 10 to 20 years. Performing sensitivities around the useful life, especially in the case that development expenses are significant, can be useful.

To the extent all or a portion of product development costs were funded by charitable or other public sources, only costs incurred by the manufacturer will ultimately be included in the PE COGS. However, to have visibility to the full cost of product development, mechanically, total product development costs should be in this cost category and the funds provided by the charity or other public source should be included as an offsetting cost in the appropriate cost category (e.g., third-party contributions, foundation contributions). A separate template to capture product development costs can be provided by request.
EXAMPLE
The vaccine requires the manufacturer to employ technology and processes it does not have previous experience with, and therefore it must incur R&D costs before production can begin.

- These costs are specifically related to the vaccine and should be included in the cost base.
- If these costs relate to the vaccine, as well as other vaccines currently in production, the costs should be allocated among vaccines using an appropriate allocation key (see the Allocation of Costs section).
- If these costs were funded by a grant from the foundation, they should be included in R&D but offset in the foundation contributions cost category by a negative cost of equal magnitude.

Note that including both the cost of the R&D and the grant will result in a net impact of zero. However, it is useful to show both for illustrative and comparative purposes.

FACILITIES AND EQUIPMENT

DEFINITION
Facilities and equipment refers to the fixed assets held on the manufacturer’s balance sheet and depreciated. For a vaccine manufacturer, this will include:

- Process equipment;
- Plant and critical utilities;
- Buildings;
- Land;
- Machinery and equipment;
- Furniture and fixtures;
- Office equipment; and
- Infrastructure (e.g., roads).

A manufacturer operating on a contract basis may not own the equipment and the associated expense may instead take the form of rent (typically an annual expense).

GUIDELINES
The fully loaded cost base of a vaccine will be affected by facilities and equipment in two ways: depreciation expenses and ongoing costs of upkeep (e.g., repairs and maintenance, utilities).

DEPRECIATION EXPENSES
Facilities and equipment expenditures are capitalized upfront, meaning that from an accounting standpoint, the costs associated with the purchases are spread over the useful life of the asset rather than being expensed entirely in the year when the purchase occurs. It is important to note that there is no standard depreciation schedule; rather, the depreciation schedule is based on factors such as the purchase price of the asset, the residual value (meaning the amount the asset could be sold for at the end of its useful life), and the expected useful life of the asset. Therefore, the depreciation schedule and useful life may differ for each of the relevant assets. Further, for inclusion in the fully loaded cost base, the appropriate depreciation schedule may differ from the accounting or tax treatment and differ within facilities and equipment. The useful life of a piece of equipment or facility is typically equal to an estimate of the duration that the equipment or facility will contribute to the business before it becomes obsolete and needs to be replaced. The useful life is typically shorter for a novel piece of equipment (e.g., a filling line) vs. a brick-and-mortar facility.
When accounting for depreciation to determine PE COGS, it is advisable to start with the original cost of the asset, the useful life, and the depreciation schedule (e.g., straight line) to determine the annual depreciation figure in each relevant year. There may then be certain offsets to the depreciation amount to take into account: depreciation recovered on the asset during a prior use (e.g., depreciation associated with a facility that was recovered when the facility was in use previously for a different product), any grant or subsidy associated with procuring or building the asset, and any other adjustments that might be relevant, including allocations between products and/or markets as discussed in the Allocation of Costs section. To understand a comprehensive picture of an asset and its impact on Production Economics, it is helpful to detail these steps in the calculation.

**ONGOING COSTS OF UPKEEP**

In addition to the capital outlay associated with building/purchasing facilities, equipment, and other assets, manufacturers incur annual operating expenses associated with the upkeep of these assets. Ongoing costs of upkeep, such as repairs and maintenance and utilities (e.g., electricity, water) should therefore also be included in this cost category. That said, these costs are annual costs and should not be capitalized.

For example, the total annual cost associated with one piece of equipment would be the annual depreciation expense plus any expenses involved with maintaining that equipment during that year.

**EXAMPLE**

In order to supply a vaccine to the Gavi market, the manufacturer will build a new, dedicated $10-million facility in 2016 that will begin operating on January 1, 2017 with a useful life of 20 years.

- For each year over the next 20 years (i.e., 2017 to 2037), a depreciation expense of $500,000 (assuming straight-line depreciation) will be incurred and should be included in PE COGS.
- Separately, an annual expense will also be incurred and will include any costs associated with maintaining/repairing the asset over the course of a given year as well as other operational costs such as utilities.

**Variable Costs**

**CONSUMABLES**

**DEFINITION**

Consumables are defined as materials used as inputs in production, including raw materials. For a vaccine, consumables include:

- Bulk consumables such as biological and chemical agents along with all raw materials and consumables used in the production of the bulk vaccine;
- Fill/Finish consumables such as vials, stoppers, and seals;
- Packaging consumables such as labels, including vaccine vial monitors (VVM), and secondary and tertiary cartons; and
- QC consumables such as inputs for testing kits.
GUIDELINES

Typically, consumables for each production step are related to both the manufacturing process design and the scale of operation, which should be clearly defined, particularly if different scales of operation are used in different sections of the production process. For capturing the manufacturing process design, as described above, the availability of a process flow diagram and bill of materials are particularly useful. This information should include all significant raw materials, process solutions, and process consumables (e.g., filters, chromatography resins, buffer bags) used in the manufacturing process for each production step. Process yields should also be described by unit operation or process section.

Consumables costs also include all shipping and freight costs involved with having consumables delivered, if these costs are borne by the manufacturer. Further, consumables costs will include all import taxes (such as value-added taxes).

Consumables costs should also include the cost of extra materials used up due to wastage (e.g., broken vials and overfill) or product failures. In other words, the PE assessment should account for expected normal loss rates.

Some consumables are 100 percent variable in that each additional dose produced requires additional raw material inputs. However, certain consumables are only semi-variable in that additional production will ultimately require additional raw material inputs—but this is not one for one. For example, a single disposable filter may be used to process an entire batch of a vaccine. Other consumables, such as chromatography resins, may be used for multiple batches of vaccine before their useful life is extinguished. As such, it is important to understand the variable nature of material consumables by providing information such as capacity and lifetime of the consumables where appropriate. Again, a bill of materials may be helpful for making these distinctions. Bulk antigen obtained from a third party (as with all products obtained from third parties) should be included at cost to the manufacturer, without any additional markup.

EXAMPLE

Due to overfill, breakage, and other types of wastage, consumables for a theoretical yield of 112 million doses are required to produce 100 million doses.

- Raw material costs per dose should be calculated based on the cost of materials necessary for 112 million doses, divided by the actual yield of 100 million doses.

Semi-Variable Costs

DIRECT LABOR

DEFINITION

Direct labor costs are fully loaded and include all employee costs directly attributable to the production of the specific vaccine, such as:

- Wages (including overtime);
- Bonuses;
- Fringe benefits (e.g., healthcare, payroll taxes, etc.); and
- Product-specific training.

Costs will vary by product and manufacturer based on market labor rates, manufacturing labor intensity, worker skill-level required, and complexity of manufacturing processes.

Indirect labor costs are discussed below and in more detail in the Overhead subsection.
GUIDELINES

In accounting for direct labor costs, it is useful to distinguish between direct labor and indirect labor:

- **Direct labor**: Labor costs that can be easily attributed to a specific product in a specific market. For example, the employees working on a specific vaccine are a direct cost for that product.

- **Indirect labor**: Labor costs that benefit multiple products and/or markets, and thus can only be indirectly attributed to a specific product or market. For example, the costs of a manufacturer's plant management wages are indirect costs because they apply to all products and markets produced within a given facility.

An overview of staffing levels for all GMP-related functions (i.e., through an organization chart if appropriate) as well as specific data on labor expenses by production step are both particularly helpful for this part of the analysis. If specific data on labor expenses by production step is unavailable, allocation by the time spent or headcount related to each step can be applied to estimate a proportionate division of labor expense. Product specifications, which can help define QC testing requirements, are also helpful. As mentioned previously, indirect labor costs should be accounted for in the Overhead subsection. Within Overhead, indirect labor, if it relates to plant management may be included in Indirect Overhead, whereas if it relates to C-suite executives it may be included in Corporate Overhead.

EXAMPLE

In the first year of production, the manufacturer expects to have 40 full-time employees engaged directly in the vaccine production on a single shift basis. But as demand increases, based on the manufacturer's experience with other similar products, the manufacturer expects to switch to a multi-shift operation with 65 full-time employees to double production.

- Total direct labor costs will increase as more employees are hired to execute the multi-shift operation;
- The manufacturer's direct labor costs on a per-dose basis should decline to reflect the reduction in labor necessary as experience is gained and capacity utilization increases.

Cost Categories Spanning More Than One Type of Cost

OVERHEAD

DEFINITION

Overhead costs are indirect costs that are necessary for the manufacturer to function, but are not directly attributable to a specific product. Overhead may include such items as:

- Indirect labor;
- Management;
- IT systems;
- Insurance;
- Transportation;
- Security; and
- Other head-office or back-office expenses.
For the purposes of this handbook, Overhead costs are split between Indirect Overhead and Corporate Overhead. While each of these two categories may include items from the above list, the distinction made is that Indirect Overhead is associated with all indirect expenses at a specific plant, whereas Corporate Overhead is associated with all indirect expenses incurred by the manufacturer outside of the specific plant that are required to support the broader operations of the manufacturer.

**GUIDELINES**

Overhead costs typically apply to many or all products made by a manufacturer; as such, overhead should be properly allocated among all products to reflect actual overhead usage rate. The allocation of Indirect Overhead and Corporate Overhead may very well be different.

Further, different individual costs within the overhead cost category fall under different cost classifications. For example, the insurance costs would be semi-variable, whereas an internal IT system would be a fixed cost.

**EXAMPLE**

A manufacturer spends $5 million annually maintaining an IT system in a plant that is used to produce five vaccines. The manufacturer believes that the associated overhead expense can be allocated evenly between the vaccines.

- Each vaccine will be allocated $1 million of Indirect Overhead annually.
- The $1 million can be divided by the vaccine’s annual production volume to find the per-dose impact of the overhead expense.

**COMMERCIALIZATION**

**DEFINITION**

Commercialization costs are expenses incurred post-regulatory approval such as ongoing sales and marketing costs. Specific examples may include:

- Advertising;
- Marketing materials;
- Sales force; and
- Distribution.

**GUIDELINES**

Commercialization costs are often particular to specific markets; as such, it is important to only account for costs relevant to the market where the vaccine is being sold. Commercialization expenses that span multiple products or markets (such as a global, companywide ad campaign) should be properly allocated between products and markets. Note that commercialization costs will typically be low for the Gavi market where procurement is through UNICEF and marketing is not necessary. It is **not** appropriate to incorporate commercialization costs incurred exclusively for high-income markets into the cost base of the vaccine intended for the Gavi market.

Manufacturers may not account for commercialization costs separately. Do not double count with costs captured in other categories, such as indirect labor involved with marketing or sales that may be captured within Overhead.
EXAMPLE

The manufacturer is negotiating an agreement to supply the vaccine through UNICEF’s Supply Division for procurement by several countries, including India. Additionally, the manufacturer intends to market the vaccine in certain Western markets (e.g., the United States and Europe).

- Commercialization costs for India should be minimal given the procurement method. To the extent the manufacturer conducts any additional commercialization efforts in India, costs associated with these efforts should be included. That said, in most instances this is unlikely.
- Commercialization costs for the Western markets are relevant, but should be 100 percent allocated to the Western markets and have no impact on the PE COGS for the vaccine for the Indian market or other non-Western markets.

Other Cost Categories

LICENSING COSTS

DEFINITION

Licensing costs include any income received (or expenses paid) for granting (or licensing) the right to use product-related intellectual property (e.g., technology) in order to develop, produce, and/or commercialize the vaccine.

GUIDELINES

Payments to third parties should be considered costs to all applicable products and should be allocated to the extent the licensed intellectual property is used across different products and/or markets. Income received from the out-licensing of intellectual property should likewise be allocated if necessary and counted as a negative cost.

Licensing expenses can be fixed, variable, or semi-variable, depending on the payment structure. For example, a one-time payment would be amortized and counted as a fixed cost, whereas a variable payment structure based on volume could be a variable or semi-variable cost. Licensing expenses can also take the form of a royalty, meaning that the licensee will be obligated to provide the licensor a percentage of the revenue earned using the licensed technology.

EXAMPLE

The manufacturer spends $100 million developing a process and amortizes that process over 10 years, thus incurring a charge of $10 million in amortization annually. However, another manufacturer pays $5 million annually for the right to use the process.

- The $10 million amortization expense would count as a product development cost.
- The $5 million of income would count as licensing income and a reduction to licensing costs.

THIRD-PARTY CONTRIBUTIONS

DEFINITION

Third-party contributions include all contributions from governments and other third-party (i.e., non-foundation) organizations. Specifically, this category includes:
• Loans;
• Grants;
• Subsidies (e.g., government subsidies for land or other resources);
• Tax credits (e.g., for R&D and specific investments); and
• Other incentives (e.g., priority review vouchers).

Each of these items is generally an offset to PE COGS. However, third-party financing costs, which include debt payments (e.g., interest) related to specific financing obtained for the product analyzed have a cost component and should be included in PE COGS.

GUIDELINES

Only those third-party contributions directly related to the incremental production of the vaccine being assessed should be counted. In other words, if a firm takes out debt as a way to fund its day-to-day operations, then this should not be considered to be part of the PE COGS. However, if a firm takes out a loan in order to fund capital expenditures to increase capacity, then the cost of that loan should be allocated to all products that benefit from the capital expenditure.

This section should also include all potential financing-related costs, such as the carrying costs associated with late payments and accounts receivable (e.g., from raw material manufacturers) including any ensuing financing costs as well as opportunity costs due to the time value of money borne by the manufacturer.

Since interest payments are generally fixed, financing costs are a fixed cost.

Tax credits received should be considered when quantifying the annual cost of those investments. In other words, if a manufacturer received a tax credit for building a new facility, thereby reducing its income tax payment, the cost of the facility included should be computed as the actual cost of the facility less the tax credit. Similarly, direct government subsidies related to the product analyzed should also be taken into account. In some cases (e.g., subsidy for the purchase of land), they may need to be allocated across multiple products.

To the extent that tax credits or subsidies are related to a fixed asset, these are fixed costs (or rather, an offset to fixed costs).

A priority review voucher is a government incentive that allows a manufacturer to be able to bring the product to market relatively faster and may allow the manufacturer to generate product revenues sooner and potentially achieve a first-mover advantage. Thought should be given to if and how the benefit of the priority review voucher should be included as an offset to the costs of the product that generated the voucher.

EXAMPLE

As a result of taking out a $10-million loan to build its new facility, the manufacturer incurs a yearly interest expense of $1 million.

• The initial cost of the facility would be added as a facilities and equipment cost and be counted annually through depreciation.
• The annual interest expense would be counted as a financing cost.
• The time value of money component associated with borrowing money (i.e., the benefit involved with receiving money now) should also be taken into account as an offset to the PE COGS.

India subsidizes product exports and China subsidizes electricity costs for some manufacturers.

• The full reductions in the form of the subsidy would be counted against (i.e., as negative expenses or contra expenses) the PE COGS and included in this cost category.
FOUNDATION CONTRIBUTIONS

DEFINITION

Foundation contributions are grants, loans, or other investments provided by the foundation to manufacturers. Foundation contributions can have the impact of reductions to costs from grants or interest expenses associated with foundation loans (plus a benefit associated with the time value of money component of the loan). The foundation is also able to provide more tailored and complex contributions to meet a manufacturer’s business need. The impact of these more complex investments needs to be assessed on an individual basis.

GUIDELINES

Foundation contributions should be accounted for in the same manner as third-party grants or third-party loans. These costs are accounted for in a separate cost category only for presentation purposes.

Foundation grants will often be directed to support a specific expenditure, such as clinical trials or construction of a new facility. If the entirety of a grant is provided upfront, the costs should be spread over the useful life of the underlying expenditure (e.g., useful life of the facility the grant is used to build). The foundation may also structure grants in other ways such as providing milestone payments linked to key development benchmarks; these situations should be reviewed on a case-by-case basis to determine whether the impact of these grants should be expensed annually (i.e., each payment affects the PE COGS of the year in which it occurs) or capitalized (e.g., summed up and spread over a useful life in a manner similar to that of an upfront grant). Typically, the grant should be treated in the same manner as the associated expense.

EXAMPLE

The foundation provides a manufacturer with a grant to be used to perform clinical trials for a new vaccine.

- The cost of the clinical trials should be recorded as an R&D expense and amortized over an estimated useful life (e.g., length of a patent for the technology and estimated time until competitors enter market).

The annual impact of the grant should be smoothed over the same useful life and recorded as a foundation contribution offsetting the funded portion of the clinical trials.
Allocation of Costs

IN THIS SECTION
Introduction to Allocation of Costs
Allocation Keys
Overview of Common Allocation Keys
Introduction to Allocation of Costs

There are generally three reasons for allocating costs:

- To isolate the costs of resources used in the manufacture of a specific vaccine, where resources may be used to manufacture and commercialize multiple products;
- To isolate the costs of production and introduction (e.g., registration and related costs) for the vaccine specific to a particular geography when the product is sold in multiple markets; and
- To isolate production costs of a specific vaccine between production steps (i.e., bulk, form/fill/finish, packaging, QA/QC).

The diagram below illustrates how direct costs and the allocable portion of indirect costs build up for a specific product (Product ‘A’) in a specific market (Market ‘A’), which can then be expressed on a per-dose or per-course basis. Note that in this example, indirect costs are allocated first by product and then by market; in certain instances, only one of the two will be necessary (e.g., if a manufacturer makes only one product but supplies it to multiple markets). This diagram does not include allocations by production step.
Allocation Keys

The metric used to allocate costs is called an **allocation key** and is based on an observable characteristic of the production or sale of the vaccine.

The aim should be to select an allocation key that balances **accuracy**, **simplicity**, and **equity**, with the greatest weight placed on accuracy.

The primary allocation keys used are generally volume and revenue. However, there are many other common allocation keys (some of which are described below). Any observable characteristic could be used as an allocation key provided that it leads to a reasonably accurate apportionment of costs.

When allocating costs, it is good practice to avoid using rules of thumb that are not based on the actual production of the vaccine, and should always ensure that the allocation method employed will not lead to over-allocation of costs if applied to all of the manufacturer’s products. For example, if a company allocates 30 percent of overhead costs to each of its 10 vaccine products the result would be a total allocation of 300 percent of overhead costs instead of 100 percent.

Manufacturers should provide any available data on the metrics used for the allocation keys below.

<table>
<thead>
<tr>
<th>METRIC</th>
<th>DEFINITION</th>
<th>EXAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCURACY</td>
<td>The allocation key should reliably reflect the cost drivers.</td>
<td>If the cost of form/fill/finish is primarily driven by the amount of time it takes to fill/finish a particular vaccine, and the time it takes to fill/finish two different vaccines is approximately equal on a per-dose basis, then allocation by volume would provide a reasonable estimate of the resources used by each vaccine.</td>
</tr>
<tr>
<td>SIMPLICITY</td>
<td>The allocation key should be easily and inexpensively obtained.</td>
<td>Production volume is often readily available, whereas actual time spent by employees on particular activities may be unavailable or require an additional, and perhaps costly, analysis.</td>
</tr>
<tr>
<td>EQUITY</td>
<td>The allocation key should take into consideration the ability to bear the cost.</td>
<td>A higher margin product earning a larger return should bear a greater proportion of investment costs and indirect costs associated with production. In this way, products sold in higher-income markets may have a higher cost than (nearly) identical products sold in lower-income markets.</td>
</tr>
</tbody>
</table>
Overview of Common Allocation Keys

Volume Allocation

**Definition**
A volume allocation key allocates costs to different products and markets based on the relative volume produced or sold.

**Example**
100 million doses of a vaccine are produced and sold in different markets.
- 90 million doses are sold in non-Gavi markets.
- 10 million doses are sold in Gavi markets.
- Based on volume allocation, 10 percent of costs would be allocated to production for Gavi markets (i.e., \(10 / (10 + 90) = 10\%\)).

A fill/finish facility with a 25-million-dose capacity is shared between two vaccines.
- 5 million doses of vaccine A are sold by the facility.
- 20 million doses of vaccine B are sold by the facility.
- Based on a volume allocation, 20 percent of costs would be allocated to vaccine A (i.e., \(5 / (20 + 5) = 20\%\)).

The volume allocation key implicitly assumes that the cost to produce a single dose does not vary across products or by region.

The optimal type of allocation utilized depends on the specific scenario.

The volume allocation may also apply to costs applied to different presentations of the same vaccine (e.g., if a manufacturer produces a vaccine in a 1-dose vial for some markets and a 5-dose vial for others); in these cases, costs that are shared may be allocated by volume while costs that are specific to one market are only allocated to that market.

Note that by using a volume allocation, the benefits of economies of scale created by producing more vaccines for either market are shared across both markets.

Volume sold and volume produced are both reasonable allocation keys, but do differ. For example:
- A manufacturer may intentionally overproduce to stockpile inventory for future sale; or
- A manufacturer may experience wasted batches due to a manufacturing error.

Consideration should be made as to whether volume sold or volume produced is most appropriate in each situation.
Revenue Allocation

**DEFINITION**

A **revenue allocation** key allocates costs to different products and markets based on relative revenues.

**EXAMPLE**

20 million doses of a vaccine are produced and sold in different markets.

- 10 million doses are sold in non-Gavi markets at $9 per dose.
- 10 million doses are sold in Gavi markets at $1 per dose.
- Based on revenue allocation, 10 percent of costs would be allocated to Gavi markets (i.e., $1 / ($9 + $1) = 10 percent).

By comparison, using a volume allocation, 50 percent of costs would be allocated to lower-income markets (i.e., 10 / (10 + 10) = 50 percent).

Other Allocation Keys

Other allocation keys may be appropriate in apportioning costs to different products, markets, or production steps in certain circumstances.

Other examples of allocation keys that may be appropriate are:

- **Time** – Use of a bulk production facility is split between two vaccines. Every year the facility produces vaccine A for 13 weeks and vaccine B for 26 weeks, with the remaining 13 weeks necessary for transitioning the facility between vaccines. Based on a time allocation, 33 percent of costs would be allocated to vaccine A and 67 percent of costs to vaccine B;

- **Square footage** – If a building has production split between two suites, then it may be appropriate to allocate the indirect building costs based on the suites’ relative square footage; and

- **Headcount** – Costs of employee benefits may be most appropriately allocated based on the number of employees engaged in a particular activity.
Impact of Economic Variables

IN THIS SECTION
- Inflation Rates
- Foreign Exchange Rates
- Changes in Costs Due to Volume Increases/Decreases
- Economies and Diseconomies of Scale
- Capacity Constraints
Impact of Economic Variables

In order to forecast how costs may change over time, it is important to understand how costs may be affected by various economic variables, such as inflation rates, foreign exchange rates, changes in costs due to volume increases/decreases, economies and diseconomies of scale, and capacity constraints. For example, these variables are important to consider when:

- Projecting future costs of a specific vaccine (e.g., projecting 2016 costs for a PE assessment on a product that is expected to be launched in 2020, and as such the year under analysis is post-2020);
- Aggregating analog vaccines by production step to assess PE for a specific vaccine; and
- Making adjustments to financial projections of a specific vaccine to account for recent changes in scale, location, etc.

Inflation Rates

Inflation refers to the increase in prices over time, and consequently, the decrease in the purchasing power of money. For example, as prices of inputs related to the vaccine’s production increase, underlying costs will increase.

Rates of inflation may differ between markets. For example, while inflation in the United States (and in U.S. dollars) is generally low (i.e., less than three percent per year), inflation in some markets exceeds 10 percent per year. Markets with developing economies, such as India, typically exhibit higher inflation rates than markets with mature economies, such as the United States.

In general, past inflation trends can serve as a useful predictor of future inflation. However, it is important to understand that inflation rates can be cyclical in nature, and it is therefore insufficient to simply extrapolate rates from the previous year. Utilizing multi-year averages is one means of smoothing the effect of business cycles on inflation. It is also important to consider recent trends and extraordinary events (e.g., recessionary and boom periods) when using historical inflation rates for forecasting purposes.

Foreign Exchange Rates

The costs of inputs (e.g., raw materials and wages) may be denominated in various currencies and/or not be the same as the currency in which the final product (i.e., the vaccine) is sold by the manufacturer. Foreign exchange rates between currencies fluctuate constantly, and understanding how currency movements affect a manufacturer’s costs is crucial to projecting PE.

Similar to inflation, past exchange rates can be used as predictors for future trends, but due to the often cyclical nature of rates, an average over a multi-year period will serve as a more reasonable method of forecasting foreign exchange rates than a simple extrapolation based on a single-period rate.

Manufacturers that purchase input goods or services from foreign suppliers are exposed to the risk that fluctuations in exchange rates will decrease the purchasing power of their local currency and consequently increase effective costs. Some manufacturers mitigate the risk by hedging against currency fluctuations, and any hedging costs should be included as part of the PE COGS under third-party contributions (e.g., financing costs).
Foreign exchange rates will be influenced by inflation thus consideration should be made to avoid double counting as the impact of these economic variables should be looked at collectively.

It is important to keep in mind that foreign exchange rates will be influenced by inflation in the relevant countries; as such, consideration should be made to avoid double counting as the impact of these economic variables should be looked at collectively.

### Changes in Costs Due to Volume Increases/Decreases

**Cost curves** are representations of changes in production costs as output increases or decreases. When a process-based model is built/available, it can assist in forecasting changes in PE COGS as a function of changes in scale, capacity, or utilization and to develop cost curves as a function of scale or capacity. **In assessing PE, cost curves can be used to:**

- Help forecast changes in a manufacturer’s costs based on changes in expected future output; and
- Compare costs at different volumes, which can inform decisions about optimal output.

Since fixed costs are costs that will not change as output increases or decreases, they will not be impacted in aggregate by changes in output (until capacity constraints, described in detail below, are reached, requiring additional capital expenditure). As such, per-dose fixed costs will decrease with an increase in output, as the same total costs are being spread across a greater number of doses.

Variable costs will increase directly with additional output. Therefore, as output increases, the ratio of fixed costs versus variable costs as part of total costs will increasingly shift in favor of variable costs.

Semi-variable costs will also correlate with output, but not as strongly as variable costs do, as each incremental increase in volume will not trigger an equally incremental increase in aggregate semi-variable expenses.

### Economies and Diseconomies of Scale

**Economies of scale** are cost advantages that manufacturers gain from increasing output. In other words, economies of scale will cause decreases in total costs per dose as production volume increases. The main sources of cost savings for manufacturers may include:

- Decreased raw materials costs due to bulk pricing discounts;
- Production efficiencies and experience (e.g., larger batches, less wastage, increase yield); and
- The ability to spread fixed costs over a greater number of products.

**Diseconomies of scale** are the converse of economies of scale and represent increases in variable costs per dose as production volume increases. Diseconomies of scale can be caused by factors including:

- Inefficiencies involved with running a larger, less focused operation; and
- Decreased operating precision leading to smaller yields.
Capacity Constraints

Capacity constraints are factors that cause breakpoints or hurdles in a cost curve, appearing as an inflection point when the fixed costs begin to increase with scale. Inflection points can be caused by the need for additional capital expenditures [increases in fixed costs] to produce additional volume. For example, a manufacturer’s costs per dose may decrease with increases in output initially; however, after a certain point, additional output may require investments in new equipment and/or additional facility space, etc. When amortized and added to the per-dose cost, this can cause an increase in the per-dose cost.

Identifying the inflection points at which manufacturers will require additional capital expenditures is important, as they represent levels of output where the manufacturer will see incremental increases in the PE COGS on a per-dose basis. While the effects of economies or diseconomies of scale cause smooth changes in costs with increases in output, capacity constraints create steps where breakpoints in output cause increases in costs.
Defined Terms

**Allocation Key**: Metric used to allocate costs (e.g., time, square footage, and headcount).

**Bill of Materials**: An itemized listing of all raw materials and consumables used in each production step. Grade of material used, supplier, and quantities required for a given production scale are typically included.

**Bulk**: Costs incurred in the production of the bulk product, including both upstream and downstream processes, but before any dosage form manufacturing occurs.

**Capacity Constraints**: Factors that cause breakpoints or hurdles in a cost curve, appearing as an inflection point when the fixed costs begin to increase with scale.

**Commercialization**: Expenses incurred post-regulatory approval such as ongoing sales and marketing costs (e.g., advertising, marketing, distribution, etc.).

**Consumables**: Raw materials used as inputs in production for a specific vaccine.

**Cost Classifications**: Cost categories grouped as fixed costs, variable costs, and semi-variable costs.

**Cost Curves**: Representations of changes in production costs as output increases or decreases.

**Direct Labor**: Fully loaded employee costs (e.g., wages, benefits) directly attributable to a specific vaccine.

** Diseconomies of Scale**: The converse of economies of scale, these represent increases in variable costs per dose as production volume increases.

**Economies of Scale**: Cost advantages that manufacturers gain from increasing output.

**Facilities and Equipment**: Costs associated with fixed assets. Includes capitalized costs that depreciate over time (e.g., land, buildings, machinery, etc.) as well as ongoing costs of upkeep (e.g., repairs and maintenance, utilities, etc.).

**Fixed Costs**: Costs that will not change as output increases or decreases and thus, by nature, will not be impacted in aggregate by changes in output. As such, per-dose fixed costs will decrease with an increase in output (up to a certain point) and vice versa, as the same total costs are being spread across a greater number of doses.

**Formulation, Filling, and Finishing (Form/Fill/Finish)**: Costs incurred during the formulation (including adjuvantation and lyophilization), filling, and finishing steps of the production process, before any secondary packaging.

**Foundation Contributions**: All contributions (e.g., grants, loans) from the foundation.

**Hybrid**: A combination of two data collection approaches generally comprised of using third-party sources to substantiate or augment data received directly from the manufacturer.

**Indirect Labor**: Labor costs that benefit multiple products and/or markets, and thus can only be indirectly attributed to a specific product or market (included in Overhead).

**Inflation**: Refers to the increase in prices over time, and consequently, the decrease in the purchasing power of money.

**Inside-Out**: Data collection approach based on quantitative and qualitative data, and process information received directly from the manufacturer.

**Intervention Target Product Profile (ITPP)**: A profile established by the foundation for priority vaccines to define minimal and optimal parameters for vaccines, and thereby help guide product development investments and decisions.
**Licensing:** Any income received (or expenses paid) for granting (or licensing) the right to use product-related intellectual property in order to produce the vaccine (e.g., technology).

**Operational Maximum Capacity:** Maximum capacity achievable when taking into account planned downtime for repairs, maintenance and batch failures.

**Outside-In:** Data collection approach based on using indirect sources of information such as conversations with third-party consultants/experts or applicable vaccine data and process information from other sources (e.g., industry studies).

**Overhead:** Indirect costs necessary for the manufacturer to function, but not directly attributable to a specific vaccine, including indirect labor (e.g., management salaries, wages, training, etc.) and other operating expenses (e.g., insurance). This category can be broken into Indirect Overhead and Corporate Overhead.

**Process Flow Diagram (PFD):** A schematic representation of a manufacturing process, including information about process unit operations for a production step. PFDs typically include information about in-process solutions, major process equipment, critical control parameters and tests, and production scale and yields.

**Production Economics (PE):** A manufacturer’s fully loaded cost base for a product, from the initial costs of discovery and development through manufacturing and final packaging, with allocations made as appropriate.

**Production Economics Cost of Goods Sold (PE COGS):** For the purposes of this handbook, PE COGS refers to all costs associated with the definition of PE above.

**QA/QC:** Costs involved with quality control and quality assurance testing.

**Research and Development (R&D):** Costs incurred to discover, develop, and bring a vaccine to market (e.g., upfront R&D, clinical trials, regulatory approval including WHO Prequalification [WHO PQ], etc.).

**Revenue Allocation:** Key allocates costs to different products and markets based on relative revenues.

**Secondary Packaging:** Costs incurred during the packaging step, commonly referred to as secondary packaging. This will generally include activities such as putting finished vaccines into cartons and preparing them for shipment. This also includes all warehousing costs.

**Semi-Variable Costs:** Costs that are correlated with output in aggregate, but not as directly as variable costs.

**Theoretical Maximum Capacity:** The maximum capacity achievable when the facility is operated during all normal operating hours and assuming no wastage.

**Third-Party Contributions:** All contributions (e.g., grants, loans, subsidies) from governments and other third-party [i.e., non-foundation] organizations.

**Useful Life:** An estimate for the amount of time a capitalized asset (e.g., investment in a facility) will be useful.

**Variable Costs:** Costs that will increase directly with additional output. In other words, each additional unit produced will require additional variable costs.

**Volume Allocation:** Key allocates costs to different products and markets based on the relative volume produced or sold.
EXHIBIT G

(see attached)
Johnson & Johnson Announces Plans to Separate Consumer Health Business

Johnson & Johnson Announces Agreement in Principle with Gavi to Supply Janssen’s COVID-19 Vaccine Candidate to Lower-Income Countries in 2021

December 18, 2020

Janssen Pharmaceutica NV, one of the Janssen Pharmaceutical Companies of Johnson & Johnson (the Company), will provide up to 500 million doses of its investigational COVID-19 vaccine candidate as part of an agreement in principle with Gavi, The Vaccine Alliance (Gavi). Gavi is the leading multilateral organization responsible for equitable access to vaccines and coordination of procurement and distribution of COVID-19 vaccines, including to lower-income countries, via the COVAX Facility. These doses will be distributed through 2022, if the vaccine candidate is proven to be safe and effective.

The Company and Gavi expect to enter into an Advance Purchase Agreement (APA) that would provide the COVAX Facility with 100 million doses of Janssen’s COVID-19 vaccine candidate in 2021, assuming the vaccine candidate receives regulatory approvals. Gavi also has the opportunity to order another 100 million doses in 2021, and up to 300 million doses in 2022, for a combined total of up to 500 million doses through 2022.

This collaboration is a part of the Company’s commitment to ensuring widespread global access to its COVID-19 vaccine candidate on a not-for-profit basis for emergency pandemic use. In September 2020, Johnson & Johnson joined other life sciences companies and the Bill & Melinda Gates Foundation in signing an unprecedented communiqué which outlined an unwavering commitment to equitable access to the innovations being developed to fight the pandemic.

The COVAX Facility is a global risk-sharing mechanism, co-led by Gavi, for pooled procurement and equitable distribution of COVID-19 vaccines to all participating countries. The Facility is an important mechanism for ensuring equitable access in lower-income countries that can significantly increase their chances of securing successful vaccines. At this time, 190 countries have joined the COVAX Facility, including 92 low- and lower-middle-income countries.

Janssen’s investigational COVID-19 vaccine candidate

The investigational Janssen COVID-19 vaccine candidate leverages the Company’s AdVac® vaccine platform, which was also used to develop and manufacture Janssen’s European Commission-approved Ebola vaccine regimen and construct its Zika, RSV, and HIV investigational vaccine candidates. Janssen’s AdVac® technology has been used to vaccinate more than 150,000 people to date across the Company’s investigational and approved vaccines.
Emergency Use Authorization application to the U.S. Food and Drug Administration (FDA) in February, with other health regulatory applications around the world made in parallel.

For more information on the Company's multi-pronged approach to helping combat the pandemic, please visit: www.jnj.com/coronavirus.

Notice to Investors Concerning Forward-Looking Statements
This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding development of potential preventive and treatment regimens for COVID-19. The reader is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of the Janssen Pharmaceutical Companies and/or Johnson & Johnson. Risks and uncertainties include, but are not limited to: challenges and uncertainties inherent in product research and development, including the uncertainty of clinical success and of obtaining regulatory approvals; uncertainty of commercial success; manufacturing difficulties and delays; competition, including technological advances, new products and patents attained by competitors; challenges to patents; product efficacy or safety concerns resulting in product recalls or regulatory action; changes in behavior and spending patterns of purchasers of health care products and services; changes to applicable laws and regulations, including global health care reforms; and trends toward health care cost containment. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended December 29, 2019, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” and in the company's most recently filed Quarterly Report on Form 10-Q, and the company's subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, www.jnj.com or on request from Johnson & Johnson. None of the Janssen Pharmaceutical Companies nor Johnson & Johnson undertakes to update any forward-looking statement as a result of new information or future events or developments.
EXHIBIT H

(see attached)
Johnson & Johnson Announces Plans to Separate Consumer Health Business

OUR COMPANY

Johnson & Johnson Announces Advance Purchase Agreement with the African Vaccine Acquisition Trust for the Company’s COVID-19 Vaccine Candidate

Up to 400 million doses of the Company’s single-shot vaccine candidate will be made available to African Union member states

Availability of the vaccine is subject to national regulatory approvals

Data have demonstrated vaccine candidate protects against COVID-19 related hospitalization and death in broad geographic regions, including those with variants of significant concern

NEW BRUNSWICK, NJ (March 29, 2021) - Janssen Pharmaceutica NV, one of the Janssen Pharmaceutical Companies of Johnson & Johnson (NYSE: JNJ) (the Company), has entered into an agreement with the African Vaccine Acquisition Trust (AVAT) to make available up to 220 million doses of its single-shot COVID-19 vaccine candidate to African Union’s 55 member states with delivery beginning in the third quarter of 2021. AVAT also has the potential to order an additional 180 million doses, for a combined total of up to 400 million doses through 2022. The availability of the vaccine candidate is subject to its successful approval or authorization by the national regulatory authorities of AU member states.

“From the beginning of this pandemic, Johnson & Johnson has recognized that no one is safe until everyone is safe, and we have been committed to equitable, global access to new COVID-19 vaccines,” said Alex Gorsky, Chairman and Chief Executive Officer of Johnson & Johnson. “Our support for the COVAX Facility, combined with supplementary agreements with countries and regions, will help accelerate global progress toward ending the COVID-19 pandemic.”

Johnson & Johnson is committed to ensuring equitable global access to its single-shot COVID-19 vaccine candidate on a not-for-profit basis for emergency pandemic use. In December 2020, the Company entered into an agreement in principle with Gavi, the...
participants given the placebo. The onset of protection was observed from day 14 and was maintained 28 days post-vaccination.

The data also demonstrated the vaccine was 85 percent effective in preventing severe disease across all regions studied and showed protection against COVID-19 related hospitalization and death across countries with different variants, beginning 28 days after vaccination. Variants observed in an ongoing analysis in the ENSEMBLE study included the B1.351 variant which was identified in 95 percent of the COVID-19 cases in South Africa.

**Manufacturing and Supply Chain Information**

Johnson & Johnson has established a global manufacturing and supply network for its COVID-19 vaccine, collaborating with nine partners across four continents, including Aspen Pharmacare in South Africa. Aspen will support vaccine shipments to the AU member states and will also contribute to global availability of the vaccine.

The Johnson & Johnson COVID-19 single-shot vaccine is compatible with standard vaccine storage and distribution channels enabling delivery to remote areas. The vaccine is estimated to remain stable for two years at -25 to -15°C, a maximum of three months of which can be at routine refrigeration at temperatures of 2°-8°C. This enables the vaccine to be shipped using the same cold chain technologies used to transport other medicines and vaccines in routine use.

**Johnson & Johnson’s COVID-19 Vaccine**

The Johnson & Johnson COVID-19 vaccine uses the AdVac® vaccine platform, a proprietary technology that was also used to develop and manufacture Janssen’s European Commission-approved Ebola vaccine regimen and construct its investigational Zika, RSV, and HIV vaccines.

**Regulatory Filings**

The Johnson & Johnson single-shot COVID-19 vaccine was granted Emergency Use Listing from the World Health Organization (WHO) on March 12, Conditional Marketing Authorization from the European Commission on March 11 and Emergency Use Authorization by the U.S. Food and Drug Administration on February 27, 2021. The single-shot COVID-19 vaccine has also been granted Interim Order authorization in Canada, and additional rolling submissions have been initiated in several countries worldwide.

For more information on the Company’s multi-pronged approach to helping combat the pandemic, visit: www.jnj.com/coronavirus.

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**About Johnson & Johnson**

At Johnson & Johnson, we believe good health is the foundation of vibrant lives, thriving communities and forward progress. That’s why for more than 130 years, we have aimed to keep people well at every age and every stage of life. Today, as the world’s largest and most broadly-based healthcare company, we are committed to using our reach and size for good. We strive to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere. We are blending our heart, science and ingenuity to profoundly change the trajectory of health for humanity. Learn more at www.jnj.com.

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Cautions Concerning Forward-Looking Statements

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding development of a potential preventive vaccine for COVID-19. The reader is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of the Company, any of the other Janssen Pharmaceutical Companies, and/or Johnson & Johnson. Risks and uncertainties include, but are not limited to: challenges and uncertainties inherent in product research and development, including the uncertainty of clinical success and of obtaining regulatory approvals; uncertainty of commercial success; manufacturing difficulties and delays; competition, including technological advances, new products and patents attained by competitors; challenges to patents; product efficacy or safety concerns resulting in product recalls or regulatory action; changes in behavior and spending patterns of purchasers of health care products and services; changes to applicable laws and regulations, including global health care reforms; and trends toward health care cost containment. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson’s Annual Report on Form 10-K for the fiscal year ended January 3, 2021, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” and in the company’s most recently filed Quarterly Report on Form 10-Q, and the company’s subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, www.jnj.com or on request from Johnson & Johnson. None of the Janssen Pharmaceutical Companies nor Johnson & Johnson undertakes to update any forward-looking statement as a result of new information or future events or developments.

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EXHIBIT I

(see attached)
Johnson & Johnson Enters into Agreement to Provide its Single-Shot COVID-19 Vaccine for the World’s Most Vulnerable People through Novel Humanitarian Buffer

COVAX Humanitarian Buffer ensures the world’s most vulnerable people have access to COVID-19 vaccines

Approximately 167 million displaced people worldwide are at risk of exclusion from COVID-19 vaccination [1]

NEW BRUNSWICK, NJ (November 10, 2021) — Johnson & Johnson (NYSE: JNJ) (the Company) has entered into an agreement with the U.S. Government and Gavi, the Vaccine Alliance (Gavi), to enable access to its single-shot COVID-19 vaccine through a novel mechanism — the COVAX Humanitarian Buffer — that will serve to protect the world’s most vulnerable people. The first deliveries to the COVAX Humanitarian Buffer are anticipated to begin in the coming days.

The COVAX Humanitarian Buffer is part of the COVAX Facility and is designed to ensure that people in conflict zones or humanitarian settings can access COVID-19 vaccines, even if they live beyond the reach of traditional, government vaccination campaigns. Governments and national and international humanitarian agencies are eligible to apply to receive doses from the COVAX Humanitarian Buffer. If applications are granted and the doses allocated, the governments or humanitarian agencies that filed the application then carry out the vaccination campaigns to ensure people are protected from COVID-19.

“We believe our single-shot COVID-19 vaccine has a critical role to play in conflict zones and other humanitarian settings that can’t be reached by government vaccination campaigns, and we are proud to be part of this effort to protect the world’s most vulnerable people,” said Paul Stoffels, M.D., Vice Chairman of the Executive Committee and Chief Scientific Officer. “From the beginning of the pandemic, Johnson & Johnson has recognized that no one is safe until everyone is safe and has worked to develop and deliver a vaccine that can protect the health of people everywhere.”

The establishment of the COVAX Humanitarian Buffer is of critical importance to global health and ending the COVID-19 pandemic for everyone, everywhere. The Inter-Agency Standing Committee, the longest-standing and highest-level humanitarian coordination forum of the United Nations system, estimates that approximately 167 million people, including an estimated 60-80 million people in areas beyond the reach of national health authorities, are at risk of exclusion from COVID-19 vaccination. Vaccinating these people, who represent some of the world’s most vulnerable populations, is crucial given that many of them may lack access to other healthcare resources should they be sickened by COVID-19.

Equitable Global Access to the Johnson & Johnson COVID-19 Vaccine
Johnson & Johnson is committed to facilitating equitable global access to its COVID-19 vaccine, and believes it is critical to protect as many people as possible against hospitalization and death. The Company has committed to providing its vaccine on a not-for-profit
basis globally for emergency pandemic use, and is making available up to 900 million doses of its vaccine to the COVAX Facility and the African Union through 2022.

The Company firmly believes that inequitable access to COVID-19 vaccines will only prolong the pandemic, and is strongly advocating that governments with available doses follow the example of the U.S., the U.K. and other countries, and immediately ramp up dose sharing, particularly through the COVAX Facility.

About the Johnson & Johnson COVID-19 Vaccine
The Johnson & Johnson COVID-19 vaccine was developed and is being manufactured using Janssen's proprietary AdVac® viral vector technology. The AdVac® vaccine platform is also used for the Company's Ebola vaccine regimen, and its candidates for preventing respiratory syncytial virus (RSV) and HIV.

The profile of the COVID-19 vaccine enables delivery to remote areas. The vaccine is estimated to remain stable for two years at -20 °C (-4 °F). It can be kept at temperatures of 2-8 °C (36-46 °F) for a maximum of six months of that two-year period, based on local labelling requirements. This enables the vaccine to be shipped using the same cold chain technologies used to transport other medicines and vaccines in routine use.

The Johnson & Johnson single-shot COVID-19 vaccine received an Emergency Use Authorization (EUA) in the United States on February 27, 2021, and on October 20, 2021, the FDA authorized for emergency use a booster shot of the Johnson & Johnson COVID-19 vaccine for adults aged 18 and older at least two months following primary vaccination with the Company's single-shot vaccine.

In addition, the European Commission granted Conditional Marketing Authorization (CMA) on March 11, 2021, the WHO issued Emergency Use Listing on March 12, and the Company received an interim recommendation from the Strategic Advisory Group of Experts (SAGE) on Immunization for the WHO on March 17. Many more authorizations have been granted in countries worldwide, and regulatory submissions are ongoing.

For more information on the Company's multi-pronged approach to helping combat the pandemic, visit: www.jnj.com/covid-19.

About the Janssen Pharmaceutical Companies of Johnson & Johnson
At Janssen, we’re creating a future where disease is a thing of the past. We’re the Pharmaceutical Companies of Johnson & Johnson, working tirelessly to make that future a reality for patients everywhere by fighting sickness with science, improving access with ingenuity and healing hopelessness with heart. We focus on areas of medicine where we can make the biggest difference: Cardiovascular & Metabolism, Immunology, Infectious Diseases & Vaccines, Neuroscience, Oncology and Pulmonary Hypertension.


About Johnson & Johnson
At Johnson & Johnson, we believe good health is the foundation of vibrant lives, thriving communities and forward progress. That’s why for more than 130 years, we have aimed to keep people well at every age and every stage of life. Today, as the world’s largest and most broadly-based healthcare company, we are committed to using our reach and size for good. We strive to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere. We are blending our heart, science and ingenuity to profoundly change the trajectory of health for humanity. Learn more at www.jnj.com. Follow us at @JNJNews.

Cautions Concerning Forward-Looking Statements
This press release contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 regarding
Johnson & Johnson Enters into Agreement to Provide Its Single-Shot COVID-19 Vaccine for the World’s Most Vulnerable People through...
EXHIBIT J

(see attached)
Johnson & Johnson Announces Plans to Separate Consumer Health Business

MEDIA STATEMENT

Johnson & Johnson Discussions to License its COVID-19 Vaccine to Aspen Reach Advanced Stage

November 30, 2021 – Johnson & Johnson is pleased to reach an advanced stage in its discussions for a potential licensing agreement for its COVID-19 vaccine with Aspen SA Operations (Pty) Ltd, which is based in South Africa. The parties will continue to work toward a definitive agreement that builds on their existing manufacturing collaboration and would enable the first COVID-19 vaccine to be manufactured and sold by an African company, in Africa and for people living in Africa. Currently, COVID-19 vaccination rates are significantly lower across Africa compared to those seen in high-income countries.

“Since the earliest days of the pandemic we have been committed to supporting Africa’s response to COVID-19 through our vaccine clinical development program, large-scale implementation studies, first-of-their-kind purchase agreements and COVID-19 vaccine manufacturing at Aspen,” said Paul Stoffels, M.D., Vice Chairman of the Executive Committee and Chief Scientific Officer. “Everyone at Johnson & Johnson is very proud of our ongoing collaboration with Aspen, which unites global and national expertise in the effort to support the vaccination of populations who are most in need at this critical stage of the pandemic.”

The timing of the signing of a final agreement is dependant on a number of factors. The license under discussion would enable Aspen, using COVID-19 vaccine drug substance supplied by Johnson & Johnson, to produce Aspen-branded finished vaccine for sale to public sector markets in Africa through transactions with national governments of African Union member states and certain multilateral entities serving Africa including the African Vaccine Acquisition Trust (AVAT), Gavi/COVAX and UNICEF.

“This is an important step toward COVID-19 vaccine manufacturing in Africa, for Africa, but a lot more needs to be done,” added Dr. Stoffels. “Most critically, the global community should prioritize a clear plan to scale up investment across the African continent in the specialized vaccines manufacturing infrastructure – and skilled local workforce – that will be needed to really rise to this challenge.”

The potential license would be the latest example of Johnson & Johnson sharing its intellectual property (IP) and manufacturing know-how to reliable and proven manufacturers that are well equipped to uphold the highest standards of product quality and safety.

Johnson & Johnson is delivering on its commitment to make available up to 900 million doses of its COVID-19 vaccine to the African Union (via AVAT) and the COVAX Facility, combined, through 2022. The Company is also a proud collaborator with the South African Medical Research Council (SAMRC) and others on a Phase 3b clinical study, ‘Sisonke Boost,’ to evaluate the safety and efficacy of booster doses (second-dose) of the Johnson & Johnson COVID-19 vaccine in South African healthcare workers.

Notice to Investors Concerning Forward-Looking Statements

This media statement contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 regarding a potential licensing agreement with Aspen SA Operations (Pty) Ltd relating to the development, manufacture and distribution of the Johnson & Johnson COVID-19 vaccine. The reader is cautioned not to rely on these forward-looking statements.
These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica NV, the Janssen Pharmaceutical Companies, and/or Johnson & Johnson. Risks and uncertainties include, but are not limited to: the ability of the parties to negotiate and consummate a licensing agreement on mutually acceptable terms, if at all; following execution of a licensing agreement, if any, the satisfaction of closing conditions for such agreement, including the receipt of any regulatory approvals for the transaction; the possibility that the transaction will not be completed in the expected time frame or at all; the potential that the expected benefits and opportunities of the licensing agreement, if completed, may not be realized or may take longer to realize than expected; challenges and uncertainties inherent in product research and development, including the uncertainty of clinical success and of obtaining regulatory approvals; uncertainty of commercial success; manufacturing difficulties and delays; competition, including technological advances, new products and patents attained by competitors; challenges to patents; product efficacy or safety concerns resulting in product recalls or regulatory action; changes in behavior and spending patterns of purchasers of health care products and services; changes to applicable laws and regulations, including global health care reforms; and trends toward health care cost containment. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson’s Annual Report on Form 10-K for the fiscal year ended January 3, 2021, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” and in the company’s most recently filed Quarterly Report on Form 10-Q, and the company’s subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, www.jnj.com or on request from Johnson & Johnson. None of Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica NV, the Janssen Pharmaceutical Companies nor Johnson & Johnson undertakes to update any forward-looking statement as a result of new information or future events or developments.
EXHIBIT K

(see attached)
Notes on This Report. All information in this report refers to the U.S. operations of the Janssen Pharmaceutical Companies of Johnson & Johnson, unless noted otherwise. Financial and nonfinancial information covers the period between December 31, 2018 and December 29, 2019, except where noted. The methodologies used for analyses in this report may be different from those used by other organizations. This report is not audited and is not intended to address all our required disclosures.

Additional Resources. In this report, we refer to locations where you can find more information about specific Janssen U.S. and Johnson & Johnson programs, disclosures, and patient resources. Financial performance information for our parent company and its subsidiaries, as well as its “Cautionary Note Regarding Forward-Looking Statements,” can be found in Johnson & Johnson Annual Reports at jnj.com/about-jnj/annual-reports. Information on corporate sustainability measures can be found at the Johnson & Johnson Health for Humanity Report at healthforhumanityreport.jnj.com.

Hyperlinks in this report connect you to additional information. This report and a one-page executive summary are also available at janssen.com/ustransparencyreport.
A LETTER FROM OUR LEADERS

IN OUR WORK EVERY DAY, WE WITNESS INTELLECT, EMPATHY, and courage united in the service of patients. Our colleagues include researchers, pharmacists, medical doctors, policy analysts, commercial experts, and manufacturing engineers—professionals of all types who develop transformational medicines and work tirelessly to ensure they reach the people who need them.

We know our healthcare system has significant strengths. Thanks to an open and competitive marketplace, it offers an array of treatment options and generates groundbreaking discoveries that are typically available in the United States before anywhere else in the world. But all too frequently we’re reminded that affordability remains a significant challenge for patients and their families. They want to know what they can expect to pay for their care, including their medicines, and what can be done to lower those costs.

In our fourth annual Janssen U.S. Transparency Report, we explain factors in our health system that influence the accessibility and affordability of medicines. As in years past, we offer information about our responsible business practices that put patients first:

- Since the beginning of 2016, the first year covered by this report, the compound net price decline of Janssen medicines was -9.2%.
- We provided $24.5 billion in discounts, rebates, and fees to government and private payers, as well as hospitals and others in the supply chain. In fact, for the first time, these discounts, rebates, and fees totaled more than half the list price (51%) of our medicines.
- Globally, we invested $8.8 billion in discovering and developing new medicines—91% more than we spent on sales and marketing.
- Over the last five years, we’ve spent $39.4 billion on R&D, resulting in 7 new medicines and 38 new indications.
- We helped 1.3 million patients with access, affordability, and treatment support through Janssen CarePath.
- We contributed practical policy solutions designed to bring down costs for patients and to make these costs more predictable, while supporting continued progress in the fight against disease.

Beyond providing a window into how we operate, we issue this Report because meaningful transparency is critical to the current discussion about healthcare. We aim to highlight what’s at stake with the choices before us and show why it’s important to preserve the parts of the U.S. system that patients count on—care when it’s needed, innovative medicines, and progress in the fight against disease.
Historic advances in medicine—including cell and gene therapies that have the potential to cure rare and hard-to-treat diseases—promise to improve the lives of patients and increase the overall sustainability of healthcare in the U.S. Our Janssen therapies have made a significant impact. For example, one of our biologic therapies has been shown to reduce major bowel surgeries and cut hospitalizations for patients with Crohn’s disease. Our first-in-class cancer medicines can help extend the lives of patients with some of the most common and deadly types of cancer. Important as they are, these numbers don’t reflect the full impact such medicines can have: joy when health is regained; relief when the burdens of caregivers are lifted; pride when returning to work.

We want this Report to be useful to everyone with a stake in the future of our healthcare system—to policymakers, payers, providers, and most of all, patients. We hope the conversations it starts will bring us closer to a healthcare system that delivers greater access to care at a more manageable cost and, most important, better health for all.

Scott White  
Company Group Chairman  
North America Pharmaceuticals,  
Johnson & Johnson

Anastasia G. Daifotis, M.D.  
Chief Scientific Officer  
Janssen North America Pharmaceuticals
**2019 IN SUMMARY: TRANSFORMING LIVES FOR PATIENTS TODAY**

**NET PRICES FOR OUR MEDICATIONS HAVE DECLINED**
-9.2% compound net price decline of Janssen medicines since the beginning of 2016, the first year covered by this report. In 2019, our average aggregate net price decline was -1.2%.

$24.5 billion total amount Janssen paid in rebates, discounts, and fees in 2019.

51% more than half the list price of our medicines went to intermediaries in the system.

**NATIONWIDE, MEDICINE PRICES REMAIN FLAT, BUT PATIENTS ARE PAYING MORE**

0.3% Growth of net prices for brand medicines across the industry in 2018; less than the rate of inflation.

67% increase in patient healthcare spending from 2008-2018.

1 in 4 American adults reported difficulty in affording prescription medicines in 2019.

**WE’RE SUPPORTING PATIENTS TODAY AND WORKING TOWARDS SUSTAINABLE SOLUTIONS FOR TOMORROW**

1.3 million patients helped with access, affordability, and treatment support through the Janssen CarePath program in 2019.

540,000 Commercially insured patients who reduced their out-of-pocket costs through the Janssen CarePath Savings Program in 2019.

*Included in the 1.3 million patients helped, above.
2019 IN SUMMARY:
ADVANCING HOPE FOR PATIENTS TOMORROW

WE MAINTAINED OUR INVESTMENT IN DISCOVERING AND DEVELOPING NEW MEDICINES

$8.8 billion
invested globally in pharmaceutical R&D

91% more
invested in global R&D than in global sales and marketing

OUR SUSTAINED COMMITMENT TO R&D IS LEADING TO MEANINGFUL ADVANCES FOR PATIENTS

IN 2019:
2 new medicines and 9 new indications
approved by the U.S. Food & Drug Administration (FDA)

OVER THE PAST FIVE YEARS:
$39.4 billion
invested in R&D
7 new medicines
approved by FDA
38 new indications
approved by FDA
7 FDA Breakthrough Therapy Designations received

WE ARE HARD AT WORK DELIVERING THE NEXT GENERATION OF MEDICINES

140+ active collaborations
with universities, biopharmaceutical firms, academic medical centers, and other scientific organizations

80+ medicine candidates in development as a result of our investments in R&D

120,000+ patients enrolled worldwide in more than 400 clinical trials. We launched more than 100 new clinical trials in 2019

640+ start-up companies in the Johnson & Johnson Innovation—JLABS incubator community, 58% of which are run by first-time entrepreneurs

*New therapeutic uses for previously approved medicines
TRANSFORMING LIVES FOR PATIENTS TODAY

“Patients and families in the United States continue to be concerned about their ability to access and afford medicines. We share these concerns and are working toward solutions.”

— Scott White, Company Group Chairman, North America Pharmaceuticals, Johnson & Johnson

When people are sick, they should have affordable access to the medicines they need. But many in the U.S. do not.

Access to medicines is critical. Medicines have dramatically improved patient health and reduced the need for surgeries, physician visits, hospital stays, long-term care, and other costly healthcare interventions. This brings down the total cost of treating patients, ultimately benefitting the entire U.S. healthcare system and our society as a whole.

In this section, we look at factors that affect medicines’ affordability, including how medicines are distributed and paid for, and how insurance benefits work.

We explain why patients do not often see the benefits of discounts and rebates we provide to insurers.

We also explain steps we’re taking to address access and affordability challenges, including appropriately providing financial assistance to eligible patients and working with policymakers to advance solutions that maintain what’s distinctive about American healthcare: access to innovative therapies, choice, and care that’s focused on the individual.

MEDICINES ARE MAKING A DIFFERENCE

Innovative medicines have fueled dramatic health gains in the U.S.

- Heart disease death rates decreased 64% since 1980.
- 39 years: Increase in the average lifespan for a person with HIV who takes current medicines.

Earlier availability of these innovative medicines is a strength of the U.S. healthcare system.

- Of new medicines launched worldwide between 2011-2018, 88% were available in the U.S. vs. 46-59% in the United Kingdom, France, and Canada.
- Compared to patients in these same countries, cancer patients in the U.S. have 10-20% higher survival rates.
UNDERSTANDING THE PRICE OF MEDICINES

Empowering patients to make informed decisions about their healthcare starts with helping them understand more about the cost of their medicines.

HOW A LIST PRICE BECOMES A NET PRICE

The list price of a medicine is a starting point that is ultimately reduced to a net price by the substantial discounts, rebates, and fees pharmaceutical companies provide to payers and other intermediaries. These include government programs, insurance companies, and employers, as well as the pharmacy benefit managers (PBMs) who administer benefits on their behalf. Hospitals, clinics, physician offices, and others may also receive discounts and rebates. We also pay fees to pharmaceutical wholesalers to distribute our medicines. In 2019, we paid $24.5 billion in rebates, discounts, and fees—more than half the list price of our medicines (51%).

We provide or pay these discounts and rebates to support broad access to our medicines, as outlined below:

- **Public and Private Payers.** To participate in public programs, we are required to give specific mandatory discounts to government insurers such as state Medicaid departments and the U.S. Department of Veterans Affairs. In addition, we provide discounts and rebates through negotiations with the private health insurance companies and PBMs who administer benefits for Medicaid and Medicare.

We also work with commercial health insurance companies and the PBMs that manage the purchase of medicines for individuals with private insurance coverage. Private insurance companies determine which medicines will be included on their formulary (the list of medicines they cover) and the out-of-pocket amounts patients will pay for those medicines. Formulary determinations are based in part on pharmaceutical companies’ negotiations with payers, which result in rebates from the pharmaceutical company to the payer.

- **Wholesalers and Distributors.** Pharmaceutical companies pay fees to wholesalers and distributors—companies that buy medicines in bulk and distribute them to pharmacies and healthcare providers.

- **Hospitals, Clinics, Physicians’ Offices, and Other Dispensers of Medicines.** Pharmaceutical companies provide discounts on medicines to hospitals and clinics for inclusion on their formularies. In addition, we provide discounts and rebates to physicians’ offices where certain medicines are administered. Under a federal program known as the 340B Drug Discount Program, we also are required to provide significant discounts on certain medicines purchased by specific categories of hospitals, clinics, and health centers that meet certain eligibility requirements set forth by the federal government.

Within the formularies of various payers, medicines are placed on tiers that correspond with patients’ out-of-pocket costs. Because for many conditions there are multiple treatments available, payers create competition among pharmaceutical companies seeking to have their medicines placed on tiers with lower copays. We offer discounts and rebates to gain payer coverage and favorable formulary placement so our medicines are accessible and affordable. However, the amount a patient pays often does not reflect the discounts and rebates we give payers, as we explain in the next chapter.

THE PATH TO THE PATIENT

Many entities are involved in getting a medicine from the pharmaceutical company to the patient. Together, they make up the pharmaceutical supply chain. This chart depicts a typical route a medicine takes from drug manufacturer to patient. In 2018, about 46% of the money spent in the U.S. on brand name medicines across the pharmaceutical industry went to players in this supply chain, up from 33% in 2013.
HOW PATIENT COSTS ARE DETERMINED

A recent survey reported that one in four Americans finds it “very difficult” or “difficult” to afford their medicines. Why is that?

The amount insured patients pay out-of-pocket for their medicines is determined by how their health insurance is designed and how their pharmaceutical benefits are managed. Notably, on average, patients pay 12% of their prescription drug costs compared to 4% of their hospital care costs.

While many patients receive insurance through government programs or by purchasing it themselves, roughly half of all Americans receive insurance benefits from their employers. Their employers choose plans with designated coverage levels, including copays, deductibles, coinsurance amounts, and out-of-pocket maximums for medicines.

One force driving up patients’ out-of-pocket spending is the use of high-deductible health plans, which are increasingly prevalent among employers and individuals. These plans offer lower monthly premiums but require more out-of-pocket costs, or a higher deductible, before coverage begins. In 2019, the number of workers enrolled in high-deductible health plans increased to 30%, up from 4% in 2006. For all people with employer-provided insurance, average deductibles more than quadrupled between 2006 and 2019.

FAST FACT

- **39%** of large employers now offer only high-deductible healthcare plans, up from 7% in 2009.
- **34%** of insured adults find it difficult to pay their deductible before their insurance kicks in.

Other factors in healthcare benefit design can increase the amounts patients pay out-of-pocket. These include coinsurance, where insurers charge patients a percentage of the medicine’s list price instead of a fixed-dollar copay, and the addition of formulary tiers with higher cost sharing. Payers also can put in place accumulator adjustment programs. These programs prevent copay assistance—provided to patients by manufacturers, often in the form of savings cards—from applying toward patients’ out-of-pocket maximums or deductibles. This can result in additional and unexpected costs for patients, which make it harder for them to stay on their medications.

For specific illustrations of how copays, coinsurance, accumulator adjustment programs, and high-deductible healthcare plans can affect out-of-pocket costs for patients enrolled in plans with different benefit levels, please visit page 26 of our 2018 Janssen U.S. Transparency Report.
HOW UTILIZATION MANAGEMENT IMPACTS PATIENTS AND PROVIDERS

INTRODUCTION
TRANSFORMING LIVES FOR PATIENTS TODAY
Understanding the Price of Medicines
How Patient Costs Are Determined
How Utilization Management Impacts Patients and Providers
How Costs and Other Access Hurdles Affect Patient Health
Our Responsible Approach to Pricing
Our Programs to Support Patients Today
Advocating for Patient-Centered Policy Reforms

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UTILIZATION MANAGEMENT TOOLS

Payers also employ various "utilization management tools" to ensure physicians adhere to their formularies. Aimed at steering patients to insurers' preferred therapies, utilization management tools include:

- **Prior Authorization**, which requires physicians to obtain approval from an insurer before a patient can receive a prescribed medicine.\(^{20}\)
- **Step Therapy** (also known as "fail first"), which requires patients to try medicines on an insurer's preferred list of prescriptions before the insurer will cover the cost of another medicine.
- **New-to-Market Block**, where insurers delay coverage for newly approved medicines, sometimes for significant amounts of time.
- **Non-Medical Switching**, which happens when insurers eliminate coverage for a patient's current medicine (sometimes within a plan year) requiring a clinically stable patient to switch from one branded medicine to another for non-medical reasons. Non-medical switching differs from a situation where a patient changes treatment for a medical reason.

Significantly, utilization management tools add to a physician's administrative burden, taking time and attention from patient care.\(^20\) Across specialties, physicians report spending an average of 15 hours a week seeking authorizations from insurers.\(^{20}\)

OUR POSITION ON NON-MEDICAL SWITCHING

We believe treatment decisions belong in the hands of patients and their healthcare professionals, which is why we are concerned about medically stable patients being switched to other therapies for non-medical reasons. Because our first responsibility is to patients who use our medicines, we oppose non-medical switching even when it works to our advantage, as in cases where a Janssen medicine is the lowest-cost therapy on a payer's formulary for a given condition. We do not proactively seek arrangements with payers that require patients who are clinically stable to switch to a different medicine.
HOW COSTS AND OTHER ACCESS HURDLES AFFECT PATIENT HEALTH

Research shows that patients’ health can suffer when they face obstacles to getting the medicines they need, such as high out-of-pocket costs or barriers put up by insurers. Patients with higher out-of-pocket costs are more likely to abandon their new prescriptions at the pharmacy. Similarly, high out-of-pocket costs can contribute to medication “non-adherence,” as has been shown in patients with rheumatoid arthritis or breast cancer.

FAST FACT

69% of patients did not fill a new prescription when faced with out-of-pocket costs exceeding $250.

Utilization management tools can cause delays in care and lead patients to report worse health outcomes. In a survey carried out by the American Medical Association, nine out of ten physicians said the process of navigating prior authorization requirements may delay patients’ access to necessary care. At the same time, studies have found prior authorization requirements to be associated with worse health outcomes and increased healthcare costs in such areas as diabetes and mental health.

Non-medical switching also has impacts on patients. In a survey carried out by the Alliance for Patient Access (sponsored by Janssen Scientific Affairs, LLC), patients responded they experienced negative impacts on health outcomes and well-being because of non-medical switching. Three out of five reported complications and two out of five said they stopped taking their medication altogether. In another survey, 70% of patients said that when they were switched to different medications for non-medical reasons, they considered their new medications less effective.

ACCESS HURDLES THAT DELAY THERAPY CAN LIMIT THE LONG-TERM BENEFITS OF MEDICINES

Over the long term, medicines bring significant benefits to patients, the health system, and society. More than half of the improvements in patient outcomes since 1990 can be attributed to medicines, according to physicians surveyed.

When patients gained access to prescription drug coverage through the Medicare Part D benefit, it resulted in decreases in hospital admissions and inpatient charges. More recently, novel treatments for hepatitis C have cured patients of what was once a chronic disease. These treatments are projected to save Medicaid an estimated $12 billion from 2013-2022, despite initial concern about their cost. For our medicines specifically, data shows they can improve long-term health outcomes, reducing costs to patients and to the health system.

For more information, visit page 33 of our 2018 Janssen U.S. Transparency Report.

Beyond reducing costs to the healthcare system, medicines provide benefits to society more broadly. Patients taking one of our medicines to treat schizophrenia (a long-acting injectable) were significantly less likely to have an encounter with the criminal justice system in the 12-month period after starting the medicine than in the 12-month period before. The results suggest that these medicines could reduce costs associated with the criminal justice system, including costs related to incarceration.

These benefits underscore the importance of access to medicines—the key factor in our responsible approach to pricing, which we discuss in the following section.
OUR RESPONSIBLE APPROACH TO PRICING

At Janssen, our approach to pricing recognizes our dual responsibility to patients today and patients tomorrow. Patients today need access to our medicines. Patients tomorrow count on us to deliver cures and treatments for challenging diseases.

- **The importance of ensuring affordable access to medicines for people who need them.** We work closely with insurers, pharmacy benefit managers, governments, hospitals, physicians, and other providers of care so patients who are prescribed our medicines can get access to them.
- **The importance of preserving our ability to develop future groundbreaking cures and treatments.** We have an obligation to ensure that the sale of our medicines provides us with the necessary resources to invest in R&D to address serious, unmet medical needs.

Some observers propose a different approach. They argue that the price of medicines should be pegged to the costs of developing or manufacturing them. However, pricing a medicine based on its R&D or manufacturing costs alone would not take into account the full range of benefits a medicine provides. It would also leave out investments that we must make in drug candidates that fail in development. Pharmaceutical companies and the rest of the scientific community can learn from these failures to improve the research process.

In setting an initial list price for a medicine, we balance:

- **Its value to patients, the healthcare system, and society.** What matters most is how the medicine will improve patient health. We also assess the medicine’s potential to reduce a variety of costs—surgeries, hospital stays, or long-term care, for example—and the improvement the medicine represents over the existing standard of care. We consider the importance patients, their families, and their caregivers place on having additional months or years of life; being able to avoid disability, hospitalization, and extensive medical procedures; and not having to depend on others for daily care.
OUR RESPONSIBLE APPROACH TO PRICING

OUR NET PRICES DECLINED IN 2019

After we set an initial list price for our medicines, it is substantially reduced by rebates, discounts, and fees, leading to a net price. In 2019, our average aggregate net price decline was -1.2%.

The approximately $24.5 billion in discounts, rebates, and fees we provided to payers, providers, and other intermediaries outweighed our single-digit list price increases. The total average amount provided off of our list price to health system intermediaries has grown by 44% since 2016, the first year we began disclosing approximate total discounts, rebates, and fees.

Although our net prices declined this year, our business has continued to grow and remains strong because of increased use of our medicines—growth that reflects their value to patients and healthcare providers. Our net price decline comes as the total rate of medical inflation in the U.S. rose approximately 4.6% in 2019.

FAST FACT

Between 2016 and 2019, the compound net price decline of our medicines was -9.2%.

<table>
<thead>
<tr>
<th>Year</th>
<th>List Price Change</th>
<th>Net Price Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>5.1%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>2018</td>
<td>6.3%</td>
<td>-6.8%</td>
</tr>
<tr>
<td>2017</td>
<td>8.1%</td>
<td>-4.6%</td>
</tr>
<tr>
<td>2016</td>
<td>8.5%</td>
<td>3.5%</td>
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<tr>
<td>2015</td>
<td>9.7%</td>
<td>5.2%</td>
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</table>
OUR PROGRAMS TO SUPPORT PATIENTS TODAY

Patients should have affordable access to medicines. We offer and support programs that can help.

As noted, the primary way we support patient access to our medicines is by negotiating with payers for preferred placement on their formularies. However, even with health insurance, some patients face high out-of-pocket costs for prescription medicines, and finding financial assistance can be challenging. In compliance with relevant laws, we take additional steps to help patients obtain access to medicines. While we recognize these programs are not long-term solutions, they are one way we strive to meet the needs of the patients we serve and the healthcare professionals who care for them.

JANSSEN CAREPATH

Janssen CarePath provides access, affordability, and treatment support resources to help patients get started on, and stay on, the Janssen medications their healthcare providers prescribe. Janssen CarePath Care Coordinators offer various forms of patient support: they answer questions about insurance coverage for Janssen medications and potential patient out-of-pocket costs; locate nearby treatment centers for certain medications; provide resources to help patients take their Janssen medications as prescribed; and if needed, they identify options that may help make the medications more affordable. These resources are available for patients who are prescribed Janssen medicines in the following therapeutic areas: cardiovascular and diabetes, dermatology, gastroenterology, infectious diseases, neuroscience, oncology, and rheumatology.

For commercially insured patients who meet the program requirements, we offer the Janssen CarePath Savings Program to help reduce patient out-of-pocket medication costs for prescribed Janssen medications. Such programs—sometimes referred to as “copay cards” or “copay coupons”—play a critical role in making out-of-pocket costs more manageable for patients by helping them gain access to the medicines prescribed by their healthcare providers.

Additionally, Janssen CarePath helps healthcare providers find access solutions for their patients by verifying patients’ health insurance benefits to make sure providers are familiar with their patients’ coverage for Janssen medicines and any requisite prior authorization, step therapy, or other payer policies.

In 2019, we helped approximately 1.3 million patients through the Janssen CarePath program. This includes approximately 540,000 commercially insured patients who reduced their out-of-pocket expenditures through the Janssen CarePath Savings Program.

To learn more, please visit JanssenCarePath.com or call 1-877-CarePath (1-877-227-3728).
OUR PROGRAMS TO SUPPORT PATIENTS TODAY

INDEPENDENT PROGRAM AND FOUNDATION SUPPORT

We also support independent programs and foundations that help patients in the U.S.:

- Janssen donates medicines and funding to the Johnson & Johnson Patient Assistance Foundation, Inc. (JPAF), an independent, nonprofit organization committed to helping eligible patients without insurance coverage receive prescription products donated by Johnson & Johnson operating companies.
  - In 2019, we donated approximately $1.2 billion in free products and financial support to the JPAF, enabling the Foundation to provide medicines at no cost to approximately 82,000 patients. More information is available at jpf.org.
- We also make financial donations to independent charitable foundations that assist underinsured and financially needy patients with treatment-related expenses.
  - In 2019, we donated approximately $220 million to independent charitable foundations, enabling them to assist an estimated 30,000 patients with medication-related copays for any physician-prescribed medicines that treat certain diseases covered by the foundations.

ADDITIONAL RESOURCES FOR PATIENTS

In 2019, we joined other leading pharmaceutical companies to create the Medicine Assistance Tool (MAT) program, connecting patients, caregivers, and providers with hundreds of different financial assistance programs that may help them afford their medicines. MAT also provides patients with more transparency about medicine costs, helping them to make more informed healthcare decisions. For more information, please visit mat.org.

While all of these programs provide meaningful support for patients today, we believe more sustainable solutions can be achieved through patient-centered policy reforms.
ADVOCATING FOR PATIENT-CENTERED POLICY REFORMS

“We strive for a healthcare system that delivers affordable access for patients today and greater hope for patients tomorrow.”
—Scott White, Company Group Chairman, North America Pharmaceuticals, Johnson & Johnson

The U.S. healthcare system has many strengths. But as patients have made clear, the need for improvement is urgent.

At Janssen, we are committed to generating sustainable policy solutions that put patients first and build on the strengths of the U.S. healthcare system, which prioritizes treating patients as individuals, and fostering the development and rapid approval of new medicines.

We support reforms that reward value and promote competition in the U.S. healthcare system.

Ensuring every American has access to affordable healthcare, including the medicines they need, means changing how we pay for healthcare. Shifting to an approach that makes value, not volume, the priority means that everyone who plays a role in the healthcare system is held accountable for the results or outcomes they deliver, including pharmaceutical manufacturers like Janssen. This approach focuses on healthcare interventions—whether medicines, surgeries, in-office visits, or other forms of care—that deliver the best results at the lowest cost.

Competition is also key—it spurs innovation, provides choices at prices that reflect value, and keeps costs down. That’s why we believe in a level playing field for all companies, including manufacturers of generics and biosimilars. Roughly nine in ten prescriptions written in the U.S. are for generics, and the use of biosimilars continues to grow.68 From 2009-2018, generics reduced U.S. health spending by $2 trillion.69 These savings can be used for other kinds of care, including innovative new treatments.

Some proposals to control the price of medicines may not lower patients’ costs and would lead to fewer new medicines being developed.

Over the last few years, several policy proposals have been put forward to reduce the costs of medicines for the health system, including:

• Importing medicines from countries outside the U.S.
• Forcing companies to tie the price of their medicines in the U.S. to that of other countries (known as international reference pricing)
• Capping the amount of inflation in drug prices year-over-year

These proposals may not actually reduce out-of-pocket costs for patients because they do not address key drivers of patient costs in our system. Patient costs are largely determined by their insurance benefit design and the degree to which fees and discounts are passed through the supply chain, which is often limited.
ADVOCATING FOR PATIENT-CENTERED POLICY REFORMS

At the same time, these proposals could drastically reduce the incentives for innovation that benefit U.S. patients. In fact, recent analyses have found that under a proposal that includes reference pricing, between 50 and 100 fewer new medicines would be approved for patients over the next decade.58

A better solution is to promote reforms that directly limit or lower patient out-of-pocket costs.

We support a cap on patient out-of-pocket costs, especially in Medicare Part D, and other proposals to increase the predictability of what patients pay month-to-month. More broadly, we believe patients should receive their fair share of the discounts and rebates that payers negotiate. Patient coinsurance and deductibles should be based on the net price the plan actually pays for the medicine, not its list price. And patients should not have to pay more in copays or coinsurance than their insurer pays for a given medicine.

Reforms must consider healthcare costs as a whole and the potential of medicines to manage those costs.

In the U.S., more than 85% of all healthcare spending goes to costs other than prescription medicines and, as noted previously, medicines can reduce spending on hospitalization and other healthcare costs.30 In 2018, total retail prescription medicine spending grew 2.5% while overall healthcare expenditures increased 4.6%.31 More specifically, spending on hospital care and professional services grew by $92.2 billion in 2018 compared to just $8.3 billion in increased spending on outpatient prescription drugs.90 As stakeholders seek ways to curb healthcare spending in the U.S., it is important to remember the limited role prescription medicines play in overall healthcare costs, especially given the tremendous value they bring.

We are listening, learning, and offering ideas.

We are committed to advancing the dialogue on healthcare reform. We have and will continue to share our perspective with state governments, Congress, and the Administration based on the beliefs we have outlined above. As we work toward practical solutions, it is important to remember that all share the same goal: building a more sustainable, affordable, and accessible healthcare system that improve the options for patients now—and in the future.

A CLOSER LOOK AT VALUE FRAMEWORKS

As healthcare decision makers’ interest in value assessment has grown, so has our concern about the shortcomings of frameworks currently used to analyze the value of medicines. Typically, these frameworks fail to appropriately account for all the factors that make a medicine valuable, most notably to patients—improved quality of life, the ability to work and care for family, reduced burden on caregivers, and the chance to remain independent for a longer period of time.

Particularly concerning are value frameworks that use cost-effectiveness analyses and thresholds to determine whether or not patients should have access to medicines. Cost-effectiveness analyses attempt to quantify the level of health gained for each dollar spent on treatment. They are estimates that rest on numerous assumptions and rely on inputs from a wide variety of sources, some more credible than others. These estimates deem a medicine “valuable” if the ratio of dollars spent to health gained stays below a limit, or threshold. In practical terms, that threshold is arbitrary—and puts a monetary ceiling on the value of human health and life.54

"Cost-effectiveness analyses generally use an input called the quality adjusted life year, or QALY. The QALY rates the value of human life relative to a subjective standard of perfect health, which is why its use may discriminate against populations such as the elderly, chronically ill, and disabled.6 QALY-based frameworks place a lower value on treatments that extend and improve the lives of people who may never have perfect health—one of the main reasons they should not be used in valuing medicines.56,57"

—Anastasia G. Deities, M.D.
Chief Scientific Officer, Janssen North America Pharmaceuticals
ADVANCING HOPE FOR PATIENTS TOMORROW

“We issue this Report at a critical moment in U.S. healthcare. We need to ensure medical progress continues to give patients hope.”
— Anastasia G. Dalfoitis, M.D., Chief Scientific Officer, Janssen North America Pharmaceuticals

At Janssen, we invest in research that transforms human health. We strive to make our research as efficient and productive as possible so that new treatments can reach the patients who need them. This requires that we employ highly creative scientists and physicians, and that we collaborate with the best researchers throughout the scientific community.

In the section below, we explain our approach to research and development (R&D) and discuss the medical advances enabled by our R&D investment, which exceeds what we spend on sales and marketing. We detail how the research data we share enhances the efforts of the scientific community at large. We also express our support for the intellectual property framework that helps the R&D ecosystem function, clarify the role of government funding in research, and explain why and how we educate prescribers.

CUTTING-EDGE RESEARCH TO ADDRESS SIGNIFICANT PATIENT NEEDS

Diseases like cancer, cardiovascular disease, diabetes, and dementia continue to take a human and economic toll. In the U.S., such diseases:\textsuperscript{18}
- Claim \textbf{1 million lives} each year
- Affect \textbf{191 million people}, with \textbf{75 million} having more than one disease
- Will cost \textbf{$42 trillion} between 2016 and 2030

Scientists across our industry are tackling these challenges head-on for a variety of diseases.
- More than \textbf{8,000 new medicines} are in development globally, including \textbf{4,500} in the U.S.\textsuperscript{19}
- \textbf{74%} of the new medicines in clinical development would be first-in-class innovations\textsuperscript{20}
OUR APPROACH TO RESEARCH AND DEVELOPMENT

At Janssen, our scientists are working to create a future where disease is a thing of the past.

Our research and development is centered on six therapeutic areas and a number of diseases within those areas, all of which have significant unmet need:

- **Cardiovascular & Metabolism**: Chronic kidney disease, type 2 diabetes, non-alcoholic steatohepatitis, thrombosis, and retinal diseases
- **Immunology**: Inflammatory bowel diseases, including Crohn's and ulcerative colitis, psoriatic arthritis, lupus, lupus nephritis, atopic dermatitis, and psoriasis
- **Infectious Diseases and Vaccines**: HIV, hepatitis B, Ebola, E. coli, and respiratory infections such as RSV, influenza, and COVID-19
- **Neuroscience**: Schizophrenia, major depressive disorder, multiple sclerosis, and Alzheimer’s disease
- **Oncology**: Hematologic malignancies such as multiple myeloma and acute myeloid leukemia, and solid tumors such as prostate, lung, colon, and bladder cancer
- **Pulmonary Hypertension**: Pulmonary arterial hypertension and chronic thromboembolic pulmonary hypertension

Across these diseases, we use our expertise in small molecules, monoclonal antibodies, cell and gene therapies, RNA therapeutics, and vaccines to develop transformational medical innovations.

R&D BY THE NUMBERS

- **2 new medicines and 9 new indications** approved by the U.S. Food & Drug Administration (FDA) in 2019*

- **$8.8 billion** invested globally in pharmaceutical R&D**

- **91% more** invested in global R&D than in global sales and marketing

- **80+** medicine candidates in development as a result of our investments in R&D

- **120,000+** patients enrolled worldwide in more than 400 clinical trials

- **140+** active collaborations with universities, biopharmaceutical firms, academic medical centers, and other scientific organizations

- **640+** start-up companies in the Johnson & Johnson Innovation—JLABS incubator community

*New therapeutic uses for previously approved medicines

In 2019, we increased our global investment in R&D to $8.8 billion, up from $8.4 billion in 2018.** This investment represents a significant portion of Johnson & Johnson’s overall 2019 R&D investment of $11.4 billion, which is among the highest in the world in any industry.*

Our R&D expenditures enable us to discover, test, and develop new medicines as well as demonstrate the efficacy, safety, and regulatory compliance of our medicines before approval. We also use our R&D resources to improve and monitor the safety of existing, FDA-approved products, and explore possible new indications in additional patient populations.
OUR APPROACH TO RESEARCH AND DEVELOPMENT

In 2019, we had two new medicines approved by the FDA, along with nine expanded indications that allow new groups of patients to benefit from our medicines.

Our investment, along with the passion, ingenuity, and insight of our researchers, has enabled us to advance more than 80 medicine candidates. Seven of these have been granted Breakthrough Therapy Designations by the FDA in the past five years. Medicines with this designation show early clinical evidence of a substantial improvement over current therapies to treat serious conditions.

Over the last five years (2015-2019), we invested $39.4 billion in R&D. In that same period, we had a total of seven new medicines approved by the FDA and received 38 approvals for expanded indications or new product formulations.

Our investment in global R&D ($8.8 billion) significantly exceeds our spending in global sales and marketing ($4.6 billion). In total we spent 91% more on R&D than we did on marketing and sales. We use global figures to make this comparison because the R&D activities we undertake around the world collectively contribute to medicine development.

The Janssen sales and marketing figures in this report are even more specific than what is described in Johnson & Johnson’s financial statements. Our financial statements combine sales and marketing expenses with other items in “Selling, Marketing, and Administrative Expenses” (SM&A). This SM&A figure forecasts for much more than pharmaceutical sales and marketing expenses. It includes administrative and overhead activities that are not related to sales or marketing, such as operational expenses for insurance, accounting, and product distribution. It is a global figure that pertains to all the businesses in the Johnson & Johnson Family of Companies, which include medical devices and consumer products in addition to pharmaceuticals.

MOBILIZING AGAINST THE COVID-19 CORONAVIRUS

Building on our experience and significant investment in vaccine research and development, we launched a multipronged response to address the global outbreak of a new form of coronavirus (also known as 2019-nCoV or COVID-19). We believe collaboration is key to combating this crisis, and that public-private partnerships and coordinated efforts among scientists, researchers, government, and academia will offer the most promising solutions. Our approach includes collaborations to develop a vaccine candidate against 2019-nCoV and to screen a library of antiviral therapies to protect people from this serious and sometimes deadly disease. We are expanding our global manufacturing capacity, including through the establishment of new U.S. vaccine manufacturing capabilities and scaling up capacity in other countries. The additional capacity will assist in the rapid production of a vaccine and will enable the supply of more than one billion doses of a safe and effective vaccine globally. We plan to begin production at risk, and are committed to bringing an affordable vaccine to the public on a not-for-profit basis for emergency pandemic use.
CONTINUALLY ENHANCING DISCOVERY AND DEVELOPMENT

Bringing a new medicine to patients includes several stages of research conducted over many years and comes with significant cost and risk of failure. Developing a medicine and then gaining approval from the FDA typically takes 10-15 years and can cost billions of dollars.

PATH OF A MEDICINE

- Discovery
- Early Development
- Pre-Clinical Research
- Clinical Trials
- FDA Review & Approval
- Continuing Research

Discovery, Early Development and Pre-Clinical Research:
- Understanding causes of disease and identifying a biological target to activate or block in order to help patients with the disease
- Creating and testing the effectiveness of many possible drug candidates in the lab
- Refining promising candidates for use in humans before beginning clinical trials

Clinical Trials:
- Phase 1: Is the treatment safe for testing in people?
- Phase 2: Does the treatment work in people? What is the optimal dosing?
- Phase 3: Is the treatment safe and effective in a large population? How does it compare to what is currently available?

Regulatory Review:
- Review by FDA of clinical trial data and other relevant information to determine whether a treatment is safe and effective. If so, it is approved for patients.

Continuing Research and Safety Monitoring:
- Important studies to understand how the medicine works in a real-world setting; explore new populations, indications, dosages, or product formulations; monitor safety; and better understand the value a medicine has for patients, providers, and the health system at large.
CONTINUALLY ENHANCING DISCOVERY AND DEVELOPMENT

The diagram on the previous page illustrates the journey of a new medicine from laboratory to launch. But no diagram can capture the full complexity of developing a new medicine and having it approved by regulators.

The process begins with millions of molecules being screened and investigated. These are winnowed to a few candidates selected for development, which are refined, characterized, tested, and further culled in the course of research. In the end, new medicines are approved infrequently, likely after a decade or more of research and billions of dollars in investment.

FAST FACT

We currently have more than 120,000 patients enrolled worldwide in more than 400 clinical trials. In 2019, we launched more than 100 new clinical trials.

SPEEDING THE SCIENCE

Janssen is continually working to improve the medicine development process so we can more efficiently and effectively follow leads, strengthen our clinical data, and increase the number of medicines that gain approval by regulatory agencies, including the FDA and its counterparts in other nations. We are:

Investing in data science. We are harnessing cutting-edge analytical tools, including machine learning, deep learning, natural language processing, and more to analyze new and expanded sources of data. These include clinical trial data, physician notes, patient-reported outcomes, lab results, images, and data from wearable devices. These technologies can help us better identify targets, improve the probability of success in advancing promising candidates, reduce research timelines, and evaluate our medicines more efficiently and effectively than ever before.

Taking a more integrated view. By studying biological pathways that underpin more than one disease, we aim to speed the development of new therapies for multiple conditions, compared to previous efforts that focused on one disease in isolation.

Improving clinical trials. Clinical trials are often the longest and most expensive element of the development sequence. Each trial is designed in compliance with regulatory policies and conducted by independent investigators to maintain the quality and integrity of the data. To ensure the safety of patient volunteers, we work with top scientific experts to design, execute, and report data from our trials. These trials take months to design, months to years to enroll, and years to execute. We are working to improve our clinical trials in the following ways:

- We consider patient perspectives early in the process. Patients, caregivers, and patient advocacy groups provide critical perspectives and often help us clarify our research priorities and goals by contributing insights that improve the design of our clinical trials. For more information about our approach to patient engagement, visit page 12 of our 2018 Janssen U.S. Transparency Report.
CONTINUALLY ENHANCING DISCOVERY AND DEVELOPMENT

- We strive to make our clinical trial populations reflect the diversity of real-world patient populations. In 2019, we launched an effort to increase the diversity of clinical trial participants and build greater trust in the process. As an example, we enabled more members of under-represented populations to participate in one of our immunology clinical trials, by using machine learning and data science to address a longstanding challenge to recruitment—the choice of appropriate trial sites.
- We explore appropriate ways to supplement the clinical evidence generated by randomized controlled trials with real-world evidence. In 2019, we utilized data science and real-world data to streamline a clinical trial of one of our oncology medicines.

PRE-APPROVAL ACCESS PROGRAMS

The main pathway for gaining access to Janssen’s investigational medicines is for a patient to enroll in a clinical trial. Pre-Approval Access (PAA) is the overarching term used for access to an investigational medicine outside of a clinical trial and prior to its approval by a health authority.

For patients with serious or life-threatening illnesses who cannot enroll in clinical trials, pre-approval access programs, such as “expanded access” programs and “named patient” programs for multiple patients, or “single-patient access” requests for individual patients, can be considered. Our policy for considering pre-approval access to investigational medicines is grounded in key ethical principles. Visit janssen.com/compassionate-use-pre-approval-access to learn more.

We typically consider making pre-approval access available when our clinical studies are complete, or when enough scientific evidence is available to inform careful review of requests prior to health authority approval. In 2019, Janssen provided access to 455 patients through PAA programs. For more information, please visit janssen.com/compassionate-use-pre-approval-access. Healthcare providers may submit a request for access by calling 1-800-JANSSEN or email janssenmedinfo@its.jnj.com.

PIONEERING DIGITAL CLINICAL TRIALS

We are collaborating with Apple on the Heartline™ study to analyze the impact of wearable technology on the early detection and diagnosis of atrial fibrillation (Afib), a condition that can lead to stroke and other devastating health complications. To learn more about this study, visit heartline.com.
CONTRIBUTING TO A STRONGER R&D ECOSYSTEM

No single company has all the best ideas. Success in the discovery and development of new medicines and vaccines depends on collaborations between scientific organizations ranging from small startups to universities to large global companies.

We do our part to support science and accelerate the development of new medicines by:

- Making our clinical trial data more accessible
- Creating an infrastructure for other healthcare innovators to succeed
- Enabling and financing promising science

MAKING CLINICAL TRIAL DATA MORE ACCESSIBLE

Increasing the availability of our clinical trial results allows the scientific community to learn from efforts of other researchers and the patients who volunteer for clinical studies. This advances science and benefits public health in important ways.

Like others in our industry, we disclose summary information about our clinical trials on clinicaltrials.gov, the largest U.S. public registry, and we seek to publish the results of company-sponsored trials and health economic studies in peer-reviewed scientific journals. But we go beyond what’s required.

In a first-of-its-kind agreement with Yale Medical School, we share pharmaceutical, medical device, and consumer product clinical trial data through the Yale Open Data Access (YODA) Project. Its mission is to advocate for the responsible sharing of clinical research data, open science, and research transparency.

The YODA Project serves as an independent review panel, evaluating researchers’ requests for access to participant-level trial data and research reports, which provide extensive details about the methods and results of a clinical trial. Researchers can use this clinical trial data in their own scientific or medical research to increase medical knowledge and improve public health.

Our leadership in data sharing has been recognized by external organizations like Bioethics International.23 For more information about the YODA Project and to request access to data from Janssen’s clinical trials, please visit yoda.yale.edu.

BY THE NUMBERS: YODA RESULTS24

IN 2019:

- 32 Requests for data
- 10 Papers published using YODA data

SINCE PROGRAM INCEPTION IN 2014:

- 154 Requests for data
- 27 Papers published using YODA data

CREATING AN INFRASTRUCTURE FOR INNOVATORS TO SUCCEED

In 1953, Janssen itself was a startup, with our namesake, Dr. Paul Janssen, working out of a space provided by his father. Today we remain faithful to our roots and are passionate about helping the next generation of biomedical innovators.
CONTRIBUTING TO A STRONGER R&D ECOSYSTEM

This is demonstrated through Johnson & Johnson Innovation – JLABS, our network of open innovation ecosystems. Through JLABS, we provide early-stage healthcare companies with access to the expertise, funding, services, and state-of-the-art equipment to get started and scale up. JLABS follows a “no-strings-attached” model, so entrepreneurs are free to develop their science while holding on to their intellectual property.

More than 640 companies are either current JLABS residents or alumni, 58% of which are first-time entrepreneurs. Collectively they have secured $27.7 billion of investments in their companies through financing and strategic relationships. To learn more, please visit jlabsoinnovation.com/JLABSNavigator/.

ENABLING AND FINANCING PROMISING SCIENCE

Our partnerships and collaborations span the research spectrum, from licensing new drug targets to full-scale development partnerships. These relationships may entail upfront and milestone payments, royalty agreements, and R&D expense sharing.

In some cases, we work with academic institutes and biotech companies on early-stage research. For example, we have an ongoing collaboration with researchers at the Broad Institute of MIT and Harvard to discover new targets and develop therapeutics for immune-mediated diseases using cutting-edge genetics and innovative screening tools.

On the other end of the spectrum, we also collaborate with the world’s largest private companies and government research organizations. In 2019, we joined with the National Institute of Allergy and Infectious Diseases, part of the National Institutes of Health (NIH), the HIV Vaccine Trials Network (HVTN), and the U.S. Army Medical Research and Development Command (USAMRDC) to launch the first large-scale Phase 3 clinical trial of our “mosaic-based” investigational vaccine aimed at preventing infections from multiple strains of HIV. For more information about what a mosaic-based vaccine is, visit jnj.com/innovation/what-is-a-mosaic-hiv-vaccine.

FAST FACT

We have more than 140 active collaborations and partnerships. We formed 53 new ones in 2019.

ADVANCING PERSONALIZED CANCER CARE

Every year in the U.S., more than 30,000 patients are diagnosed with multiple myeloma, and more than 12,000 patients die from the disease. Through a collaboration with Legend Biotech USA, Inc., Janssen is advancing the development of a chimeric antigen receptor T cell (CAR-T) therapy, which harnesses the body’s own immune system to fight cancer. CAR-T therapy is a type of immunotherapy that involves extracting a patient’s white blood cells, genetically modifying them in a laboratory, and re-administering the modified cells to the patient. In 2019, Janssen received U.S. FDA Breakthrough Therapy Designation for JNJ-4528, an investigational CAR-T therapy. Additionally, we are investing in state-of-the-art supply chain capabilities in support of our ongoing clinical efforts and potential future needs. We are committed to advancing this novel therapy through clinical development and bringing this treatment to patients who are still in need of effective therapies.
THE COMPLEMENTARY ROLES OF PUBLIC AND PRIVATELY FUNDED RESEARCH

We are sometimes asked: Does Janssen benefit from research funded by U.S. taxpayers?

Government funding is a critical part of the nation’s R&D ecosystem. The NIH provides the most public biomedical research funding of any government agency in the world. The bulk of the NIH’s budget is disbursed as grants to academic researchers, while just 7.6% of NIH’s 2019 grant funding went to domestic for-profit companies. Generally, the NIH funds early-stage, basic research to understand the causes of a disease or the mechanisms underlying a biological process, such as what makes cancer cells divide. Academic scientists, biotechnology companies, and large pharmaceutical companies work to translate that basic research into drug or vaccine candidates for development and clinical testing. As previously noted, it takes many years and billions of dollars to carry out the applied research to develop a new medicine, which is why it is typically conducted by companies such as Janssen. Sometimes, after a product is initially approved, government funders may support research by academics or other scientists to explore further uses that may or may not result in FDA-approved indications of the product.

In total, the biopharmaceutical industry’s R&D investments in 2018 were approximately $102.1 billion, more than 2.5 times the NIH’s $35.4 billion spending on research. Both sources of research funding are critical to advancing patient care, and both should be encouraged.

PUBLIC FUNDING AND JANSSEN RESEARCH

U.S. government officials have recently stressed the importance of collaboration between the public and private sectors, academia, and others when dealing with public health threats. All of the government funding we received to support our research over the last five years is for a limited number of projects that supplement our investments to address public health threats. These projects are typically part of broader collaborations with support from additional institutions, including other governments, nonprofit funders, and more. The U.S. government funding we received from 2015-2019, which amounted to less than one percent of our global R&D investment, supported the following:

- A vaccine candidate for the prevention of Ebola currently being tested or provided in the Democratic Republic of Congo, Rwanda, and other countries
- A vaccine candidate for the prevention of HIV currently being tested in at-risk populations in the U.S., Africa, South America, and Europe
- Vaccine and therapeutic candidates for the prevention and treatment of emerging infectious disease, including pandemic influenza
- A therapeutic to treat acute radiation exposure

Separately, in the rare cases where Janssen developed and successfully commercialized a new medicine by building on research discovered and patented by the government, we pay royalty and commercial milestone payments back to the government. These payments to the NIH totaled more than $242 million over the last five years.
SUSTAINING THE ENGINE OF BIOMEDICAL INNOVATION

Innovation is a strength of American healthcare. However, some have questioned whether the intellectual property (IP) protections in the U.S. prevent patients from attaining affordable access to these innovations. A closer look suggests otherwise.

- **Supporting Transparency and Competition.** In exchange for the limited window of protection provided by patents, researchers must publicly disclose information about their discoveries which others can use to develop the next generation of treatments. Even while a medicine is under IP protection, competing companies may be able to bring even better treatments to patients. In fact, most first-in-class medicines face competition from another branded product either when they are first approved, or within the first three years after introduction.162

- **Fostering Generic and Biosimilar Entry.** After data exclusivity ends, generic and biosimilar manufacturers can gain approval of copies or near-copies of medicines without having to repeat costly clinical trials. This is because they can rely on the clinical data provided by the company that developed the original medicine. Without a stream of innovative new medicines, there would be no additional generics or biosimilars. Today, nine in ten prescriptions are for generic medicines.163

Because an open, competitive market has proven to be the best model to support the development of new treatments for patients, we continue to support strong, reliable, and enforceable IP protections. ●

IP protections include both patents and, in the pharmaceutical industry specifically, data exclusivity. Patents provide innovators with a limited time period where inventions that are considered new, useful, and non-obvious cannot be copied. In the pharmaceutical industry specifically, data exclusivity provides companies that conduct tolerability, safety, and efficacy testing on their products a limited time where only they can use their clinical data for regulatory approval. The strong IP protections in the U.S. benefit patients in numerous ways:

- **Promoting Innovation.** Time-limited patent protection enables innovators to receive a fair return for the extensive resources, time, and effort it takes to develop their current and future products. The patent system does not guarantee commercial success, but simply provides some certainty that if meaningful advances are made, the innovator’s work will not be immediately copied. The comparative strength of the U.S. IP system is a key reason more new medicines are developed in the U.S. than in any other nation.164
BRINGING OUR APPROVED MEDICINES TO PATIENTS: SALES AND MARKETING

After we have FDA approval for an innovative medicine, we invest in providing accurate, up-to-date information to healthcare providers and patients so it can be used appropriately.

RESPONSIBLE COMMUNICATIONS ABOUT OUR MEDICINES

In 2019, we spent $4.6 billion globally ($2.7 billion in the U.S.) on pharmaceutical sales and marketing activities, including communications with healthcare professionals about our medicines’ approved uses, effectiveness, side effects, benefits, and risks. These expenditures also include patient education and direct-to-consumer communication.

Our sales and marketing activities adhere to industry ethics standards and codes of conduct, including the Pharmaceutical Research and Manufacturers of America’s (PhRMA) Code on Interactions with Healthcare Professionals and the PhRMA Guiding Principles on Direct-to-Consumer (DTC) Advertisements about Prescription Medicines. We view these guidelines as a starting point and challenge ourselves to deliver even more for patients.

We ensure the information we share with patients and healthcare professionals is balanced, accurate, current, and credible. We work with healthcare providers on peer-to-peer education with the goal of advancing the health of patients by sharing clinical outcomes through transparent, compliant activities. Healthcare providers with real-world clinical experience in specific therapeutic areas are uniquely qualified to provide education and insights into new advancements regarding our medicines. This type of interaction can address potential treatment gaps, as it allows providers to discuss important medical information about the appropriate use of our products.

Beyond educating healthcare professionals and informing patients about our medicines, our responsible approach to sales and marketing helps generate the revenues we need to fund research into future treatments and cures.
BRINGING OUR APPROVED MEDICINES TO PATIENTS: SALES AND MARKETING

OPEN PAYMENTS: R&D ACCOUNTS FOR 77% OF OUR PAYMENTS TO PHYSICIANS

In compliance with Open Payments requirements, we report to the U.S. Centers for Medicare and Medicaid Services (CMS) the compensation or transfers of value that we provide as a part of our sales and marketing outreach to educate healthcare professionals about our medicines. These transfers of value include, but are not limited to, medical textbooks, scientific articles, meals, and travel expenses. This information is available through the CMS Open Payments database and we make this information available to the public on jnj.com. The great majority—77%—of our Open Payments disclosures in 2018, the latest reporting year, are research payments.

These include, but are not limited to, payments we make to healthcare providers and academic medical centers for conducting research during the multi-year medicine development process.

We anticipate that 2019 Open Payments data will be available through CMS on June 30, 2020.

REFErances
FIGHTING SICKNESS WITH SCIENCE: AN ALZHEIMER’S DISEASE STORY

Alzheimer’s disease is the sixth-leading cause of death in the U.S. and has no existing cure. That’s not for lack of trying.

For more than two decades, researchers have seen a series of promising therapies fall in clinical trials. In fact, from 1998 to 2017, there have been more than 140 failed attempts to develop a treatment for Alzheimer’s disease, a medical condition whose causes are notoriously difficult to isolate and address. Without further advances, Alzheimer’s disease will affect nearly 14 million Americans over the age of 65 by 2060, by which time the total cost of care for people with Alzheimer’s and other dementias could cost $1.1 trillion.

Despite some of our own setbacks in this space, we continue our R&D commitment to Alzheimer’s disease because the need for treatment remains so great.

To speed advances against Alzheimer’s, we share important data and samples with researchers outside our organization. In 2019, Janssen, Shionogi & Co., and the Alzheimer’s Drug Discovery Foundation’s Diagnostics Accelerator announced an initiative to share data and samples with researchers around the world. Our goal is to find new biomarkers—the telltale signs of disease that can be detected through tests. Finding additional biomarkers would be a major step toward novel treatment options and could be especially valuable in intercepting Alzheimer’s disease before it does irreparable damage to the patient’s brain. There is much work to do here, but we are up to the task of conquering this major public health challenge in our lifetimes.

Patients like Gayle’s dad are why we strive to deliver the medicines that will transform tomorrow—and why we work to make medicines that are available today accessible to all who need them.

We live in a moment of incredible hope, on the verge of extraordinary progress that could change our lives and the lives of our children and grandchildren. At Janssen, we are committed to bringing that promise to life.
REFERENCES

1. Represents the year-over-year change in the average net price, which is the list price less rebates, discounts, and fees.
2. Figure according to Janssen internal financial accounting.
4. Figure according to Janssen internal financial accounting.
8. Data is an approximate number of patients supported by Janssen CarePath provided by the program administrator. Data reflects contributions from Janssen Biotech, Inc., Janssen Pharmaceuticals, Inc., Janssen Products, LP.
10. Percentage figure represents compound net negative price decline for years 2016-2019 as applied to Janssen pharmaceuticals marketed in the U.S. The net price of a medicine is the list price minus mandated or negotiated rebates, discounts, and fees.
11. Represents the year-over-year change in the average net price, which is the list price less rebates, discounts, and fees.
12. Figure according to Janssen internal financial accounting.
13. Ibid.
15. Ibid.
17. Data is an approximate number of patients supported by Janssen CarePath provided by the program administrator. Data reflects contributions from Janssen Biotech, Inc., Janssen Pharmaceuticals, Inc., Janssen Products, LP.
18. Ibid.
20. Figure according to Janssen internal financial accounting.
REFERENCES


39. Figure according to Jansen internal financial accounting.


43. Henry J. Kaiser Family Foundation. "Table: Health Insurance Coverage of the Total Population." 2018. https://www.kff.org/other/state-indicator/total-population-current-timeframe-0?sortModel=%7B%22colIndex%22%3A0%2C%22sort%22%3A%22asc%22%7D.


69. Ibid.


71. Represents the year-over-year change in the average net price, which is list price less rebates, discounts, and fees.

72. Figure according to Janssen internal financial accounting.

73. Ibid.


75. Percentage figure represents compound net negative price decline for years 2016-2019 as applied to Janssen medicines marketed in the U.S. The net price of a medicine is the list price minus mandated or negotiated rebates, discounts, and fees.

76. Represents the year-over-year change in the average list price, or wholesale acquisition cost (WAC).

77. Represents the year-over-year change in the average net price, which is list price less rebates, discounts, and fees.

REFERENCES

79. Data is an approximate number of patients supported by Janssen CarePath provided by the program administration. Data reflects contributions from Janssen Biotech, Inc., Janssen Pharmaceuticals, Inc., Janssen Products, LP.

80. Ibid.


82. Data is an approximate number as reported by the Johnson & Johnson Patient Assistance Foundation, Inc.

83. According to internal financial accounting.

84. This estimate is based on assessment of donation amounts and publicly available data on approximate levels of patient assistance.


99. Ibid.

100. Ibid.


104. Figure according to Janssen internal financial accounting.


Notes: Number reflects NME approvals achieved by current Janssen Pharmaceutical companies.
REFERENCES


115. Johnson & Johnson, FYR-Q Form 10-K for the period ending December 29, 2019 (filed February 18, 2020). Figure according to Janssen internal financial accounting.

116. Ibid.


124. According to Janssen’s Pre-Approval Access global tracking system.

125. Figure as of March 10, 2020, Secured and contingent funding. JLABS. "JLABS Navigator." https://jlabsnavigator.com/jlabsnavigator/


REFERENCES

139. According to Janssen internal financial accounting.
140. Ibid.
144. Figure according to Janssen internal financial accounting.
145. Johnson & Johnson has voluntarily posted the 2018 aggregated data for our companies covered by Open Payments, as submitted to CMS on March 31, 2019. Due to the CMS data review process, there may be differences between the aggregated totals for data posted here and aggregated totals derived from currently available data on the CMS website.
December 22, 2021

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Johnson & Johnson to omit proposal submitted by Oxfam America, Inc. and 12 co-filers

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, Oxfam America, Inc. and 12 co-filers (together, the “Proponents”) submitted a shareholder proposal (the “Proposal”) to Johnson & Johnson (“J&J” or the “Company”). The Proposal asks J&J to report on whether and how its receipt of government financial support for the development and manufacture of vaccines and therapeutics for COVID-19 is being or will be taken into account when engaging in conduct that affects access to those products.

In a letter to the Division dated December 8, 2021 (the "No-Action Request"), J&J stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the 2021 annual meeting of shareholders. J&J argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(10), on the ground that it has substantially implemented the Proposal. As discussed more fully below, J&J has not met its burden of proving its entitlement to exclude the Proposal on that basis, and the Proponents ask that its request for relief be denied.

The Proposal

The Proposal states:

RESOLVED that shareholders of Johnson & Johnson (“JNJ”) ask the Board of Directors to report to shareholders, at reasonable expense and omitting
confidential and proprietary information, on whether and how JNJ subsidiary Janssen’s receipt of government financial support for development and manufacture of vaccines and therapeutics for COVID-19 is being, or will be, taken into account when engaging in conduct that affects access to such products, such as setting prices.

**Substantial Implementation**

J&J claims that it has substantially implemented the Proposal through disclosures on its web site. That argument recapitulates one J&J made last year in an effort to exclude a proposal that had an identical resolved clause and a supporting statement that was substantially similar to the Proposal’s. The Staff denied that request, a fact that does not appear in the No-Action Request.

The Proponents acknowledge that every detail of a proposal need not be implemented to support exclusion pursuant to Rule 14a-8(i)(10). However, the company’s actions must “compare favorably” to the Proposal’s request or accomplish the Proposal’s “essential objectives.” As was the case last year, the disclosures on which J&J relies do not address key elements of the Proposal. The purpose of the Proposal is to elicit disclosure on the extent to which receipt of government support plays a role in the decisions J&J makes affecting access. The Proponents submitted the Proposal out of concern that not facilitating broad access after receiving public funding creates risks for J&J, including reputational risk and the prospect of damaged relationships with government funders. Contrary to J&J’s assertion, the Proposal is not substantially implemented by disclosure of the Company’s “approach to COVID-19 vaccine and therapeutic access and pricing,” absent a discussion of the role of public funding.¹

The web site material J&J points to is not responsive to the Proposal: a description of general pricing considerations; J&J’s signing of the Communiqué on Expanded Global Access for COVID-19; and the Company’s support for governments’ plans to obtain vaccines to administer free of charge to their citizens, including agreements to provide over 500 million vaccine doses to the COVAX facility for distribution to low-income countries, to provide up to 220 million doses to the African Vaccine Acquisition Trust for distribution to African Union nations, and to provide its vaccine through the COVAX Humanitarian Buffer. J&J also touts reaching an “advanced stage” in negotiations to license its vaccine to a South African company.² J&J argues that these disclosures inform shareholders about how J&J “plans to take into account government collaboration in making decisions

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¹ No-Action Request, at 4.
² See No-Action Request, at 4-6. We note that clicking on or copying the URLs cited in footnotes 2, 3, 7, 8 and 9 of the No-Action Request, which document these initiatives, brings up a page bearing this legend: “Oops! We have a boo-boo. Please try JNJ.com again later. We’re sure we’ll be feeling better then.”
that affect access to its COVID-19 vaccine.” But those kinds of “collaborations” do not involve receipt of government financial support and collaboration for vaccine development and manufacture, making disclosures about them irrelevant to the substantial implementation analysis.

J&J also refers to an interview with its Chief Financial Officer, Joe Wolk, discussing J&J’s commitment to “bringing an affordable vaccine to the public on a not-for-profit basis for emergency pandemic use.”3 In the article (available as Exhibit E to the No-Action Request), Mr. Wolk explained that the “not-for-profit” price will be “based on a formula established and utilized by the Bill & Melinda Gates Foundation (BMGF) for vaccine product pricing in lower-income countries.” The article neither describes nor discloses that formula, but J&J asserted in the No-Action Request, citing to the BMGF’s own web site, that under the BMGF formula all third-party contributions, including contributions from the government, that “directly related to the incremental production of the vaccine being assessed should be counted” toward reducing the manufacturer’s cost base.4

None of the disclosures J&J highlights explicitly addresses the relationship between public funding and access, as the Proposal requests. The disclosure on J&J’s web site states that a “not-for-profit” price will be used for some period of time—the phrase “emergency pandemic use” is undefined—in lower-income countries and that the BMGF formula will be used in determining that price, but it does not explain how government support is treated. The interview with Wolk was silent on pricing in middle- and high-income countries, including the United States. As well, claiming that the pricing in lower-income countries will be “based on” the BMGF formula does not confirm that J&J will adopt an identical or even substantially similar approach, leaving shareholders in the dark as to how closely the Company will hew to that model. Even assuming it could be considered a J&J disclosure, which the Proponents do not concede, the material on the BMGF’s web site does not state whether the kinds of public support J&J received for its vaccine would be considered “directly related” to the vaccine’s “incremental production”; the use of “incremental” suggests that contributions toward overall vaccine development and manufacturing capacity might not qualify, as they are not associated with production of additional doses.

J&J does not claim to provide any information about how government support would be treated when setting prices or making other access-related decisions outside of the “emergency pandemic” window. Because the Proposal’s coverage is not limited to the pandemic setting, this gap is meaningful. J&J’s existing disclosures, then, fall far short of satisfying the Proposal’s essential

3 No-Action Request, at 5. Clicking on or copying the cited link returns a page bearing the same “Oops” error message mentioned in footnote 2.
4 No-Action Request, at 5.
objective, which is to obtain disclosure on whether and how J&J takes public funding into account in its approach to access.

* * *

For the reasons set forth above, J&J has not satisfied its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(10). The Proponents thus respectfully request that J&J’s request for relief be denied.

The Proponents appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (617) 780-7502.

Sincerely,

Robert Silverman
Advocacy Manager
Oxfam America

cc:  Marc S. Gerber, Esq.
     Marc.Gerber@skadden.com