Johnson & Johnson: Global Presence

Global Leader in Health Care

More than 250 Operating Companies In 60 Countries

Selling Products in More Than 175 Countries

116,000 Employees Worldwide
Johnson & Johnson Family of Companies

- Sixth-largest consumer health care company
- The world’s largest and most diverse medical devices and diagnostics company
- The world’s fifth-largest biologics company
- The world’s eighth-largest pharmaceuticals company

Jesica Harrington
Diagnostic test fueled hope in her fight against cancer
2Q 2011 Sales by Segment

$ U.S. Billions

- MD&D 40%
- Consumer 23%
- Pharmaceuticals 37%

- $6.6B 1.3%*
- $6.2B 7.0%*
- $3.8B (1.8%*)

2Q 2011 Sales: $16.6 Billion

*Operational YOY change
Our Consumer Business Segment

- 2010 sales of $14.6 billion
- Broad portfolio of iconic CPG and OTC brands
- Based on sound science and technology
- Touching a billion lives every day
Our Pharmaceuticals Business Segment

- 2010 sales of $22.4 billion
- Now unified under the Janssen name
- A well-positioned pipeline
  - Growing demand
  - Emerging markets
  - Unmet needs around the world
- Recent product approvals
Our Medical Devices & Diagnostics Business Segment

- 2010 sales of $24.6 billion
- The world’s largest medical technology business
- Focused on emerging markets and an aging population
- Our most recent acquisition

A premier manufacturer of orthopedic devices
Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs, everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers’ orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens—support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.
Challenges in the health care supply chain

- **Medication errors** result in additional treatments, disabilities and even loss of life
- **Counterfeiting** is an increasing global threat
- **Traceability** from manufacturer to patient is unworkable
- **Product recalls** can be difficult to manage, in particular for healthcare providers
- A lot of manual interventions in the healthcare supply chain decrease its efficiency and accuracy
Confusion due to lack of global standards
Johnson & Johnson’s Perspective

Barcode scanning revolutionized the consumer goods supply chain:

- Reduced stock-outs
- Speeding consumer retail check-out
- Improved accuracy

The health care adoption of GS1 standards can provide many benefits including:

- Increased patient safety
- Improved supply chain efficiency
- Strengthening healthcare supply chain integrity
GS1 standards and actionable visibility
Johnson & Johnson subscribes to this model
Increasing regulatory support for standards

- Japan
- China
- India
- Spain
- Columbia
- Thailand
- Brazil
- Slovakia
- Turkey
- European Union
- United States
Increasing hospital customer demand for GS1

Examples

United Kingdom… National Health Service
Australia… National E-Health Transition Authority (NEHTA)
Canada… Ontario Buys Initiative
Germany… Sana Kliniken AG, EK-Unico and P.E.G. networks
United States… Healthcare Transformation Group, Mayo Clinic, Geisinger Health System, etc.
Customer expectations

Johnson & Johnson Health Care Systems Inc. conducted a survey of major US-based customers:

“\textit{We're going to have one number for each product, so we're going to be able to find products a lot easier. There will be a safety impact. We're going to be able to do data analysis quicker when we compare products, so all the products are going to match. Having one common location number across supply chain partners will make transacting a lot easier, too. Shipments would go to the right place.}”

\textit{- JJHCS Customer}

\textit{n=31} \hspace{1cm} \textit{Source: JJHCS 2009 Market Research Initiative}

Conclusion: Customers moving towards global data standards
Global standards
Product identification current and future state

Single product identifier across the supply chain
Johnson & Johnson GS1 Adoption
Global Data Synchronization Network (GDSN)

Sharing master data enables product traceability, strengthens supply chain integrity, and improves supply chain efficiency.
Johnson & Johnson GS1 standards adoption

**Consumer**
- GTIN adopted globally, assigned to 100% of products
- Major retailers driving GLN adoption
- GDSN in use
- Select retailers piloted EPC/RFID

**Medical Device & Diagnostics**
- GS1 labeling migration project underway – 100,000+ GTINs
- Harmonizing GLNs with “ready” US customers; investigating ROW
- Initiated GDSN projects
- Targeted EPC/RFID pilots

**Pharmaceuticals**
- Using GTINs to meet FDA & EU barcode rules
- GLN in limited use
- GDSN interest emerging with GTIN sunrise
- Beginning serialization and compliance with pedigree and track & trace regulations
GS1 BeneLux Health Care Pilot
AZ Sint-Jan Brugge-Oostende AV and Ethicon

Patient To Patient (P2P) supply chain concept
Migration from HIBCC to GS1 GTIN
7 Billion Reasons to Care

Global Standards Will Benefit Patients and Consumers Around the Globe