



STATEMENT AT JNJ SHAREHOLDER MEETING

April 25, 2019

Good morning. My name is Robbie Silverman, and I am moving and speaking in support of a resolution filed by Oxfam America calling on Johnson and Johnson to integrate the risks of public concerns over high drug prices in setting executive compensation. Oxfam America is a non-profit antipoverty organization active in more than 90 countries around the world, including the United States. We are also a shareholder of Johnson & Johnson.

Seventy-five years ago, Johnson and Johnson created a Credo committing to “maintain reasonable prices” and to “bear its fair share of taxes” as vital company priorities. We applaud these commitments. But by any standard, Johnson and Johnson is failing to meet them. Today Johnson and Johnson avoids billions of dollars in taxes and prices many lifesaving drugs out of reach of average people. This is wrong, and it poses a material risk to the company and its shareholders.

As the Credo attests, Johnson and Johnson depends on the good will of the public and an efficient and functional tax system. The public pays for essential front-end scientific research, patent protection, and much of the prescription drug market through taxpayer-funded programs like Medicare. More than 170,000 people recently joined Oxfam calling on Johnson and Johnson to pay its fair share of taxes, stop rigging government rules, and make medicines

affordable to people who need them. We delivered these petitions to Johnson & Johnson management this morning.

Today, public trust and goodwill are slipping away. Rising outrage over unaffordably high drug prices and artificially low tax payments poses real and enduring reputational and regulatory risks to Johnson & Johnson. We can see this right outside today with Doctors Without Borders—an organization dedicated to saving lives around the world—protesting the prices Johnson & Johnson charges for its medicines.

Yet, the way Johnson & Johnson pays its top executives may discourage them from taking action to mitigate these risks. Together with our co-filer Boston Common Asset Management, we urge the Compensation and Benefits Committee to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into Johnson and Johnson's incentive compensation policies, plans and programs for senior executives. The report should include, but need not be limited to, discussion of whether incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and external pricing pressures are taken into account when setting targets for financial metrics.

We believe this is a first step Johnson and Johnson can take to fulfill its Credo commitments to “maintain reasonable prices” and “bear its fair share of taxes”—safeguarding the health and improving the lives of millions of people throughout the world. Thank you.