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Focusing on Accountability & Transparency to Advance a Culture of Inclusive Leadership

HCI Engage and Develop Great People Managers Conference
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Today, We Will Discuss:

The shifting talent landscape and what the marketplace is looking for in an employer when it comes to DEI

Actions that can help foster a culture of inclusion and belonging for your employees

Opportunities to embed DEI in your talent management processes and measure your progress

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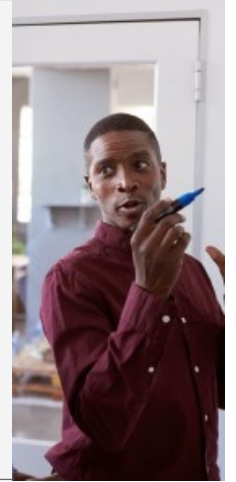# Diversity, Equity & Inclusion: A Pivotal Moment

Society Is Demanding Social Change

Society wants greater corporate transparency and accountability to address systemic inequities.

Employees Are Holding Leaders Accountable

Employees desire more diverse teams and inclusive cultures where everyone belongs and can thrive.

We are living in a pivotal moment for diversity, equity and inclusion in the workplace.

Purchasing & Employment Decisions Are Changing

Consumers are making purchasing and employment decisions based on how organizations respond to social and racial justice.

Demographics Are Changing Rapidly

It's critical that the workforce reflects the communities in which we live and serve–globally, regionally and locally.
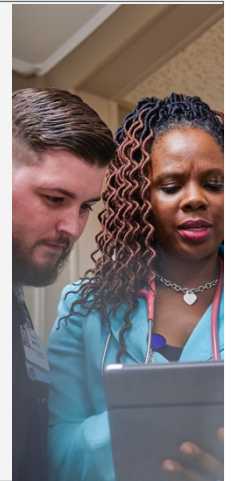
Our Credo

We believe our first responsibility is to the patients, doctors and nurses, 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 provide value, reduce our costs and maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our business partners must have an opportunity to make a fair profit.

We are responsible to our employees who work with us throughout the world. We must provide an inclusive work environment where each person must be considered as an individual. We must respect their diversity and dignity and recognize their merit. They must have a sense of security, fulfillment and purpose in their jobs. Compensation must be fair and adequate and working conditions clean, orderly and safe. We must support the health and well-being of our employees and help them fulfill their family and other personal 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 highly capable leaders and their actions must be just and ethical.
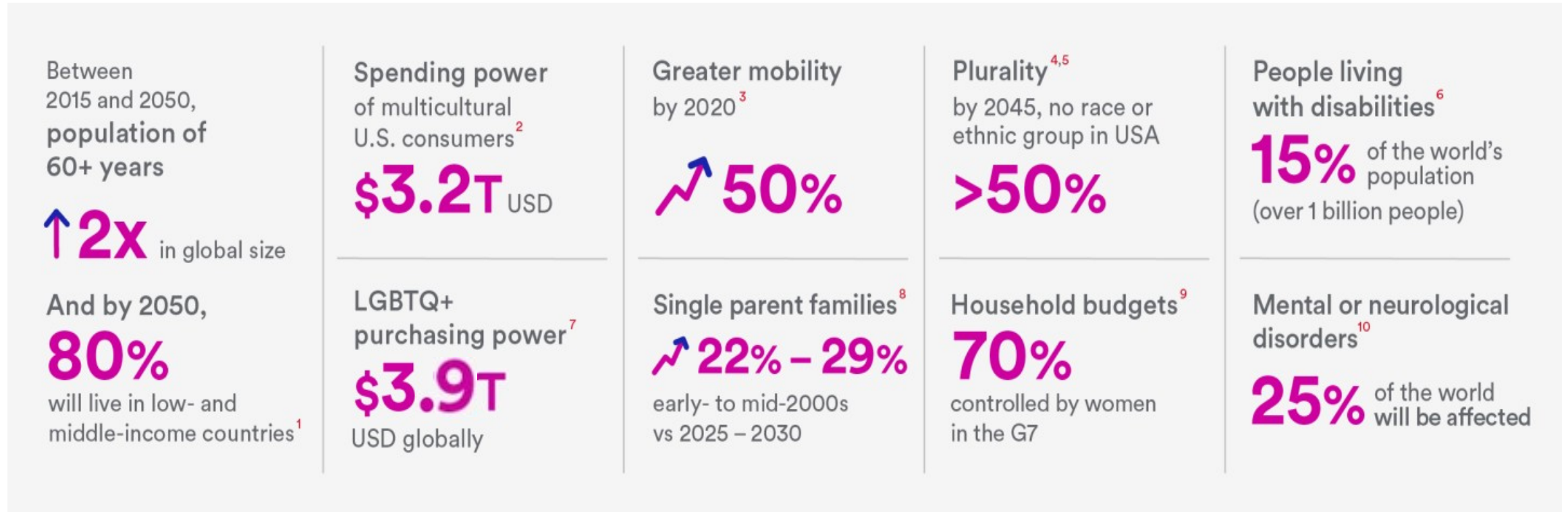
We are responsible to the communities in which we live and work and to the world community as well. We must help people be healthier by supporting better access and care in more places around the world. We must be good citizens— support good works and charities, better health and education, and bear our fair share of taxes. 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, investments made for the future 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.

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Shifting Demographics

The world is becoming more diverse, and we need to ensure equitable opportunities for all talent.

Between 2015 and 2050, population of 60+ years

↑ **2x** in global size

And by 2050, **80%** will live in low- and middle-income countries[1]

Spending power of multicultural U.S. consumers[2]

$3.2T USD

LGBTQ+ purchasing power[7]

$3.9T USD globally

Greater mobility by 2020[3]

↗ **50%**

Single parent families[8]

↗ **22% – 29%** early- to mid-2000s vs 2025 – 2030

Plurality[4,5] by 2045, no race or ethnic group in USA

>50%

Household budgets[9]

70% controlled by women in the G7

People living with disabilities[6]

15% of the world's population (over 1 billion people)

Mental or neurological disorders[10]

25% of the world will be affected

(1) "Ageing and health," WHO, (2018)
(2) "The database: meeting today's multicultural consumers," Nielsen, (2018)
(3) "Talent Mobility 2020," PwC, (2020)
(4) "The US will become 'minority white' in 2045, Census projects," Brookings, (2018)
(5) "Projections of the Size and Composition of the U.S. Population: 2014 to 2060," U.S. Census Bureau, (2015)

(6) "Disability and health," WHO, (2020)
(7) "Estimated LGBT Purchasing Power: LGBT-GDP," LGBT Capital, (2020)
(8) "The Future of Families to 2030," OECD, (2011)
(9) "Demographic and social change," PwC, (2016)
(10) "The World Health Report 2001: Mental Disorders affect one in four people," WHO, (2001)

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Approaching DEI as a Business Imperative

Business success requires a workforce that reflects the diversity of patients, customers and consumers served around the world.

Diverse teams and companies outperform[1]:

25%
Companies in the top quartile for gender diversity overperform by 25%

36%
Companies in the top quartile for ethnic diversity overperform by 36%

27%
Companies in the bottom quartile for gender and ethnic diversity are 27% less likely to overperform

Organizations with more diverse & inclusive cultures drive innovation[2]:

8x more likely to achieve **better business outcomes**
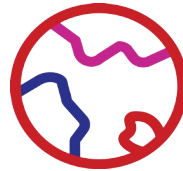
6x more likely to be **innovative and agile**

2x more likely to **meet or exceed financial targets**

(1) "Diversity wins: How inclusion matters," McKinsey & Co., (2020)
(2) "The diversity and inclusion revolution: eight powerful truths," Deloitte, (2020)

Turning Insights into Action

Reimagining our processes to optimize how we attract, develop, advance and retain diverse talent.

Driving Greater Accountability and Transparency	Expanding Candidate Access	Ensuring Equity in Talent Practices

Driving Greater Accountability and Transparency

Building systems to hold our leaders across Johnson & Johnson accountable for creating a more diverse, equitable and inclusive workplace.

Annual Surveys and Public Reports


Annual Sustainability Goals

- 50% of women in management positions globally
- 35% racial and ethnic diversity in management positions in the U.S.
- 50% growth of our Black/African American talent in management positions in the U.S.

Leadership Goals and Imperatives

- Launched DEI goals for people leaders at all levels
- Goals linked to performance and development
- Providing resources and training to help deliver on goals

Employee Initiatives and ERGs
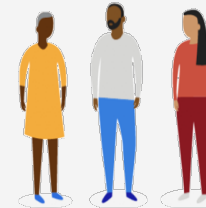
- Conscious inclusion workshops
- Unconscious bias trainings
- Cultural immersion programs, dialogue sessions and educational series

External Commitment

- Collaborating with dozens of healthcare and business forums around the world to improve racial and social health inequities and work together to create a more equitable world

Expanding Candidate Access

Keeping pace with shifting demographics by maintaining multiple platforms for outreach to individuals to join our teams around the world.

Diversifying Talent Acquisition Processes

- Removing gender and racial bias from job descriptions
- Creating diverse candidate slates and interview panels
- Posting open positions to diversity job boards

Strengthening Partnerships

- Strengthening partnerships with professional organizations and student organizations at large universities, including those at HBCUs and Hispanic Serving Institutions

Ensuring Equity in Talent Practices

Offering development opportunities that help everyone meet their career aspirations and accelerate the development of diverse employees.

Professional Development Programs

- Sponsorship programs
- Leadership development programs aimed at accelerating growth of diverse talent
- Returnship programs for those who have been out of the workforce
- STEM initiatives to increase interest among girls and women in science and health careers

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"If we all serve each other, all of us prosper."

–R.W. Johnson II, 1949