



# Johnson & Johnson Customer and Logistics Services (CLS)

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# Our Organization

Johnson & Johnson  
Celebrating 125 Years

- Our reach is global
  - 114,000+ employees
  - 250+ operating companies
  - 60+ countries
- We have a heritage of trust
  - 125 years of outstanding performance
  - Trusted across generations
  - Trust from Patients and Consumers that our products will be available when needed



# Our Business Sectors At Johnson & Johnson

## CONSUMER



## PHARMACEUTICALS



## MEDICAL DEVICES



# Our Consumer Business Segment

- 2016 sales of \$13.3 billion
- Broad portfolio of iconic brands
- Touching a billion lives every day



SKIN CARE



OTC/NUTRITIONALS



BABY CARE



WOUND CARE/OTHER



ORAL CARE



WOMEN'S HEALTH

# Our Pharmaceuticals Business Segment

- 2016 sales of \$33.5 billion
- A well-positioned pipeline
  - Growing demand
  - Emerging markets
  - Unmet needs around the world
- Core therapeutic areas of focus are Immunology, Neuroscience, infectious disease, Cardiovascular and Oncology

 **INTELENCE**  
(etravirine) 100 mg tablets

 ONCE-MONTHLY  
**INVEGA<sup>®</sup> SUSTENNA<sup>™</sup>**  
paliperidone palmitate extended-release  
injectable suspension

 **NUCYNTA<sup>™</sup> II**  
tapentadol

 **PREZISTA<sup>™</sup>**  
(darunavir) tablets

 **Remicade<sup>®</sup>**  
INFLIXIMAB

 **Risperdal<sup>®</sup> CONSTA<sup>™</sup>**  
risperidone Long-Acting Injection

 monthly  
**Simponi**  
golimumab

 **Stelara<sup>®</sup>**  
(ustekinumab)

 **VELCADE<sup>®</sup>**  
(bortezomib) FOR INJECTION

 ONCE-DAILY  
**EDURANT<sup>™</sup>**  
(rilpivirine) tablets

 **Xarelto<sup>®</sup>**  
rivaroxaban tablets

 once-daily tablets  
**Zytiga<sup>™</sup>**  
abiraterone acetate

# Our Medical Devices Business Segment

- 2016 sales of \$25.1 billion
- The world's largest medical technology business
- Focused on emerging markets and an aging population
- A recent acquisition



A premier manufacturer of orthopedic devices



Ortho Clinical Diagnostics  
a Johnson & Johnson company

# Our Values speak volumes

Our Credo helps us remember what matters most

CUSTOMERS / EMPLOYEES / COMMUNITIES / STOCKHOLDERS

## 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 THE OPPORTUNITY TO REALIZE A FAIR PROFIT.

WE ARE RESPONSIBLE TO OUR EMPLOYEES, THE MEN AND WOMEN WHO WORK FOR US THROUGHOUT THE WORLD. EVERYONE MUST BE TREATED AS AN INDIVIDUAL. WE MUST RESPECT THE RIGHTS AND RECOGNIZE THE MERITS OF EACH. THEY MUST HAVE A SENSE OF SECURITY IN THEIR JOBS. COMPENSATION MUST BE FAIR AND ADEQUATE, AND WORKING CONDITIONS MUST BE ORDERLY AND SAFE. WE MUST BE MINDFUL OF THE NEEDS OF OUR EMPLOYEES AND THEIR FAMILIES. WE MUST PROVIDE OPPORTUNITIES FOR EMPLOYEES TO EXPRESS THEIR OPINIONS AND COMPLAINTS. WE MUST BE FAIR AND JUST IN OUR POLICY FOR EMPLOYMENT, PROMOTION AND ADVANCEMENT. WE MUST PROVIDE OPPORTUNITIES FOR PERSONAL AND PROFESSIONAL DEVELOPMENT, AND THEIR

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.

Johnson & Johnson

Johnson & Johnson

FAMILY OF COMPANIES

OUR CREDO



BE VITAL

# Our first responsibility

Serving our customers and patients through 3 segments



*Johnson & Johnson*  
FAMILY OF COMPANIES

CONSUMER

PHARMACEUTICALS

MEDICAL DEVICES



CUSTOMERS



BE VITAL



# Our Supply Chain Delivers Our Patient and Customer Commitments

## CLS at a Glance

**365**

**DISTRIBUTION CENTERS**



**239**

**CUSTOMER SERVICE CALL CENTERS**



**6,500**

**J&J EMPLOYEES IN 67 COUNTRIES**

**7**



**CHANNELS SERVED:**

Hospitals/Clinics  
Physicians  
Pharmacies  
Mass Merchants  
Retailers  
Direct-to-Patients  
eCommerce  
Distributors/  
Wholesalers

**\$1.9B**

**EXPENSE**



**SUPPORT**

**\$72B**

**REVENUE**

**MORE THAN**

**360,000**

**SKUs**



**OVER**

**100,000**

**ORDERS A DAY**



**8**

**DELIVERY MODES:**



Bicycle  
Motorbike



Car  
Van



Truck  
Plane



Boat  
Rail

**MORE THAN**

**2,500**

**LOGISTICS SERVICE PROVIDERS**



**269**

**SUPPORTED J&J MRCS IN 60 COUNTRIES**



**71**

**MILLION KGs AIR FREIGHT ANNUALLY**



**300**

**J&J COMPANIES IMPORT OR EXPORT FROM 65 COUNTRIES**



**393,000**  
**CUSTOMERS**



**We deliver Johnson & Johnson**

*Johnson & Johnson* CUSTOMER & LOGISTICS SERVICES  
A DIVISION OF JOHNSON & JOHNSON SUPPLY CHAIN

# The Daily Transportation Optimization Challenge

*Slower* ← **Speed** → *Faster*

*Larger* ← **Shipment Size** → *Smaller*



Ship

Intermodal

LTL

Truckload

Parcel

Air Freight

*Less Expensive*

**Transport Cost**  
*(Per Unit Measure)*

*More Expensive*

*Slower*

**Service Response**

*Quicker*

*Less Expensive*

**Inventory Cost**

*More Expensive*

# The U.S. Transportation System is Critical to the Delivery of important Medicines and Medical Devices

- Reliable Airfreight System
  - High-value, Life-saving, and Promotional Products to meet commitments to patients
- Reliable Port System
  - Exportation of US produced products
  - Importation of off-shore Finished Goods for Sale and Raw Materials for Domestic Production.
- Reliable, uncongested Highway System
  - To meet the needs of Regional Distribution System that responds to urgent patient care needs and consumer demand for our products.
- Reliable Rail System
  - To take trucks off the road and deliver longer-haul, less time-sensitive products and materials via Intermodal Transportation systems.

**WE PROTECT OUR BRANDS**

**WE TRANSPORT CRITICAL PRODUCTS TO OUR CUSTOMERS**

**WE PACKAGE THE PRODUCTS THAT SAVE LIVES**

**WE CREATE CUSTOMER RELATIONSHIPS**

**WE RESPOND WHEN CUSTOMERS CALL**

**WE ENSURE TRANSACTIONS ARE DONE RIGHT**

We deliver *Johnson & Johnson*



## Our second responsibility

We are uniquely positioned to enable dynamic careers

**265 companies**  
flexible work arrangements  
**broad experiences**  
strong networking  
**career in a career**  
cross-business moves

*Johnson & Johnson*  
FAMILY OF COMPANIES



EMPLOYEES



BE VITAL

# Our third responsibility

Our communities



Fulfilling Our Credo responsibilities so **people**, **planet**, and **business** can all live in good health today and tomorrow.

**\$1.1 billion**

## Cash & Product Contributions

Toward nearly 600 philanthropic programs in 100+ countries in 2014

**55.7 MW<sup>green</sup>**

## Clean Energy

On-site renewable/clean energy capacity (installed or in progress)

**35%**

## J&J Sales

Delivered a total shareholder return of almost 35% (including dividends)

## Recognition From Others



#12 Best Global Green Brands 2014

access TO  
medicine  
INDEX

#3 Biannual Survey 2014

**Johnson & Johnson**  
FAMILY OF COMPANIES



COMMUNITIES



BE VITAL

# Our final responsibility

When we operate according to these principles...

- \$74.3 billion  
worldwide sales in 2014
- 31 consecutive years  
of adjusted earnings increases
- 52 consecutive years  
of dividend increases
- One of only three industrial  
companies to hold a  
**AAA Credit Rating**

