



Racial Equity Audits: A Critical Tool for Shareholders

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We know...racial disparities in healthcare has resulted in

Significant health gaps between Blacks/African Americans and white Americans



- **Pharma:**
- U.S. clinical trials; access to surgical & therapy treatments
- access to medical settings for Opioid treatment



Consumer Health:

- Prevalence of toxics found in products sold to Black and Brown women ("Big Market for Black Cosmetics, but Less-Hazardous Choices Limited"; Environmental Working Group; December 6, 2016)
- Talc - Ongoing controversies & claims of aggressive marketing ("Johnson & Johnson knew for decades that asbestos lurked in its baby powder" Lisa Girion; Reuters; December 14, 2018)



We also know businesses benefit from ...

A racially and ethnically diverse workforce :

- Absent full EEO-1 disclosure, are J&J's diversity commitments adequate?

Independent board oversight that is robust:

- Is risk oversight of J&J's racial impacts sufficient given current board structure and all white named executive officers?

Effective oversight of government affairs operations:

- Has J&J examined the impact of its political activities on racial equity?



Johnson & Johnson states **“unequivocally that racism in any form is unacceptable”**

Commits to **“drive health equity solutions”** and change the trajectory of **“health for humanity”**

Are company assurances enough?

- **Engages leadership in a process that looks ‘beyond management’s own assertions’**
 - Validates existing strategies
 - Helps the company prioritize/implement sustained improvements
 - Creates a valuable internal/ external communication tool
- **Objective review can increase investor certainty that capital is well spent**
- **An important ‘new norm’ to help address the economic costs of racism**



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