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Johnson & Johnson CSR Final Paper

Corporate Social Responsibility

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Abstract

From Good to Bad Johnson and Johnson seems to have gotten a grasp on this whole CSR plan, facing a few lawsuits over the years. Johnson & Johnson has been around for 130 years and wants to improve the lives of many. Johnson and Johnson have had a Corporate Social Responsibility plan since the start of the company back in 1886. Johnson & Johnson strives to create innovative products that help better their consumers' lives. CSR platforms include their approach to sustainability, better health for all, and societal CSR. Johnson and Johnson have done many things for the community like developing a single dose covid vaccine however, the CDC recently pulled the J Janssen COVID-19 vaccine off the shelves. This pause in use may result in litigation against Johnson &Johnson due to women suffering from blood clots after receiving their vaccines. The vaccine will be put back on the shelves as of April 23, 2021. Johnson & Johnson seems to have issued their initiatives to help better society. A program called Earthwards was invented to help combat the issue of climate change by reviewing/ redesigning products to create less waste throughout the manufacturing process. By 2020 they wanted to have EarthWards 20% of their products, which they did not due to COVID-19. Johnson and Johnson need to continue to make renewable energy for their factories in order to improve the planet, their company, and society. Johnson and Johnson have been very involved with its CSR policies since the start of the company. However, like all companies, they have many challenges and opposers. It seems that Johnson and Johnson have good intentions and are okay at executing plans to better society. Sometimes they don't always follow through with their plans due to ligations, running out of money, or time.

Introduction:

Johnson & Johnson was founded by three brothers: Robert, Edward, and James Johnson, which started as a little company, in New Brunswick NJ, selling medical care supplies like band-aids and items for babies, the company is now a household name. Johnson & Johnson is a global company that has been around for 130 years with the intention to improve the lives of many, by the innovation of products that families, nurses, and governments can trust. Within that time period they have many advances for society, as well as many drawbacks since it is a company that has been around for so long. Johnson & Johnson wants to create a change within the world, not only through their products but through their commitment to caring and their aspirations for innovation in the future.

CSR Platforms:

Corporate Social Responsibility has been a top priority for Johnson & Johnson since their start of the company back in 1886 with their dedication to women and their right to work, as nurses and women hold jobs within the company, as well as women consumers. An example of this dedication would be the development of a maternity first aid kit, which is the thought process of saving the lives of many women since women in that period had a low survival rate of childbirth. Johnson & Johnson strives to create innovative products that help better the lives of their consumers and within their CSR they hope to achieve just that. This medical device company has had a clear view of what they valued most and put that into a plan. Their CSR platforms include their approach to sustainability and how they will make more of an effort to be a more sustainable business. Johnson & Johnson says in their 2019 Health for Humanity Report "In trying to determine the ways in which Johnson & Johnson can contribute to the global community to create a healthier, more equitable world, we developed a clear, pragmatic process

for building a commitment to accelerate the SDGs that reflects our unique constellation of strengths" (Johnson and Johnson, 2019). Another area that Johnson & Johnson focuses on is Better Health for all, where they focus on new courses of action for the world's toughest health issues, try to create easier access to healthcare, contribute to community health, and innovation to lead to better health overall. An additional category is responsible business practices where Johnson & Johnson with powers through employees, tries to create the best quality products that are safe for consumers, through their ethics and transparency and attempts for a responsible supply chain. Johnson and Johnson also focus on environmental health such as having resilience for climate change, water and waste management, and product sustainability.

Initiatives:

Johnson & Johnson set out to develop a single dose COVID 19 vaccine, that already 7 million people have received the Johnson & Johnson's Janssen covid-19 vaccine. The benefit of their vaccine would be that it did not need to be stored at a certain temperature, making the vaccine easier to store, more available, and more abundant. According to Doctors Livingston and Malani "The adenovirus that delivers the SARS-CoV-2 DNA particle cannot multiply, so it does not cause infection. Because this system is based on stable DNA molecules, it does not require ultracold storage, making it easier to distribute" (Livingston, Malani, et al.,2021). This vaccine is meant to be easily stored and not cause bad side effects such as the Moderna or Pfizer-BioNTech shots that are given in two doses, weeks apart, and have some side effects.

Successes:

Innovation has always been a top priority for Johnson & Johnson, in doing so they have a large budget for research and development. Amrith Sudhakaran states that "According to Johnson & Johnson's statement of earnings for the 3rd quarter of 2020, the company spent

20.13% of its gross profit on research and development" (Sudhakaran, 2020). This large budget enables Johnson & Johnson to continue further their research in the development of new medical devices and products. They were able to develop a vaccine for the COVID-19 pandemic.

Challenges:

As with any company Johnson & Johnson has had their fair share of controversies and challenges throughout the years. From having recalls on numerous products like their baby powder, Tylenol in the 1980s, Covid-19 vaccine, prescription heartburn medication Propulsid, bacterial contamination in Listerine, trace metal found in Motrin, are all issues that Johnson & Johnson has faced (Mattera, 2020). The quality of some of Johnson and Johnson's products over the years has been in question due to being tampered with, found contaminants within the products like metal or bacteria, thus resulting in civic action lawsuit against Johnson & Johnson.

Critical Analysis:

Societal CSR

Caring for the needs of society has been a number one priority for Johnson and Johnson since the start of the company back in 1886. Johnson & Johnson put a rush on the development of their one dose vaccine called Janssen COVID-19 vaccine and promised with the Biden administration over 200 million doses, but there are several health issues related to this vaccine. The CDC recently pulled the Johnson & Johnson's Janssen COVID-19 vaccine off the shelves due to recipients of the vaccine developing blood clots in their brains. The CDD states that "CDC and FDA have recommended a pause in the use of the Janssen (Johnson & Johnson) COVID-19 vaccine in the United States out of an abundance of caution, effective Tuesday, April 13. Of the 6.8 million Janssen COVID-19 vaccine doses administered in the United States to date, six cases of a type of blood clot called "cerebral venous sinus thrombosis" (CVST) were

seen in combination with low levels of blood platelets (thrombocytopenia)" (CDC,2021). This pause of the vaccine does not shed a good light on Johnson & Johnson and may result in litigation against Johnson &Johnson due to women suffering from blood clots after receiving their vaccines and a need to develop a new CSR plan to clean up the brand's image. Unfortunately, due to the ambiguity of a new vaccine, one woman died, this is the sad reality of new vaccines, their unknowns.

Moreover, after a three-week pause on the Janssen shot, it will be put back on the shelves soon. According to an infectious diseases specialist at Yale Jaimie Meyer, MD, MS. says "Putting a pause on a new vaccine or medication is not unusual. Even after it has completed its clinical trials, a vaccine still must be monitored in the real world,"(Katella, 2021). Pauses of vaccines happen due to the CDC trying to limit the number of people that suffer from adverse effects of the vaccine. Another doctor from Yale Medicine, hematologist Robert Bona, MD believes that if "The FDA released the Johnson & Johnson vaccine after they reviewed the data. I certainly agree with their advice." Meaning that the FDA would not have realized a vaccine that would do more harm, than good, it is tragic what happened to the induvial and blood clots, but the Johnson & Johnson's Janssen COVID-19 vaccine will be put back onto the shelf as of April 23, 2021.

Johnson & Johnson seems to have issues with the cleanliness of their facilities causing millions of dollars in ligations over the years. Most recently the COVID-19 vaccine had issues within the manufacturing process, causing the disposal of tens of millions of vaccines due to improper sanitation at the factory, where parts of the Johnson and Johnson covid vaccine are manufactured. According to Political.com speaking about Johnson & Johnson, "The company has faced an unrelenting series of setbacks, including a contractor mix-up that ruined 15 million

doses and revealed serious safety and hygiene lapses, and concerns that the vaccine may be linked to recent reports of rare, severe blood clots among recipients" (Banco et al., 2021). These setbacks have halted the delivery of the Johnson & Johnson vaccine.

This is not the first time Johnson and Johnson have had contamination within their products either. As mentioned, previously Johnson and Johnson has had issues with different types of contaminants in their products according to the article "Johnson & Johnson" by Philip Mattera:

> During 2009 and 2010 the company had to announce a string of recalls of medications, contact lenses, and hip implants. The most serious of these was the massive recall of more than 136 million bottles of liquid Tylenol and Motrin for infants and children after batches of the medications were found to be contaminated with metal particles. The company's handling of the matter was so poor that J&J subsidiary McNeil-PPC became the subject of a criminal investigation and later entered a guilty plea and paid a criminal fine of $20 million and forfeited $5 million (Mattera, 2020).

Johnson & Johnson waste so much money on litigations that could be avoided, due to most of them being caused by human error.

Another issue J& J has run into is other contaminants like bacteria. Back in 2007 four million bottles of children's Listerine Agent Cool Blue were recalled due to there being bacteria in them. According to Bloomberg News "The bacteria found included klebsiella oxytoca, which can cause urinary tract infections and blood poisoning; serratia marcecens, linked to bloodstream infections; enterobacter cloacae, tied to respiratory infections; and pseudomonas fluorescens, which is harmless to most people" (Bloomberg News, 2007). Especially since this is a product meant for children, there should be no unintentional bacteria found in the product, regardless if it

is mostly harmless. This is not the first occasion Johnson & Johnson has had issues and litigations when it comes to products meant for children.

One of Johnson & Johnson's most popular products has been their baby powder. But there have been issues regarding this product, it is linked to causing cancer due to trace amounts of the substance asbestos, which is known to cause cancer, found inside the talc-based baby powder. Naturally, Johnson & Johnson denied that there is a link between the two, however, " The *New York Times* reported in December 2018 that internal company memos from the 1970s discussed the possibility that its talcum powder could contain asbestos" (Mattera, 2020). There have been over 15,500 talcum powder lawsuits pending against Johnson & Johnson. There was a study done by The Federation of the American Societies For Experimental Biology:

> This finding, combined with previous epidemiological literature and tissue‐based analytical studies provides further evidence that the small, isodiametric particles that dominate TCBP can migrate from the perineum and become lodged in distal structures in the female reproductive tract, where they may lead to an increased risk of developing ovarian carcinoma. (Johnson, 2021)

This means that there is scientific evidence that people who have ovaries cancer have trace amounts of baby powder in their ovaries that get lodged there from the nature of its usage. According to Ron Meneo, Trial Attorney and Legal Expert:

> 22 Women in Missouri ($4.69 billion, July 2018): Amounting to approximately $213.2 million per person, a Missouri jury decided that Johnson & Johnson was liable for causing the ovarian cancer of 22 women as a result of asbestos contamination in its talc products. J&J is appealing the verdict, given that 17 of the women in the case lived outside of Missouri, relying on a 2017 Supreme Court ruling in a Plavix lawsuit that

> limits the jurisdiction of state courts to oversee cases brought by out-of-state plaintiffs. (Meneo, 2021)

That is a lot of women who have suffered from cancer by suing a product they did not think would cause any harm. Based on the numbers one can assume that Johnson and Johnson do not care about the well-being of their consumers and only focuses on profit.

Sustainability

Johnson & Johnson tries its very best to be as environmentally friendly as possible and has several initiatives to help better the Earth. Earthwards is a program that Johnson & Johnson invented to help combat the issue of climate change by creating/redesigning more sustainable products. More information on what Earthwards is from Johnson and Johnson's website states "Since 2009, we have utilized our EARTHWARDS program to encourage the development of more sustainable products across seven impact areas. When a product achieves at least three significant improvements, a board of external experts determines if it warrants EARTHWARDS recognition. Our adherence to the EARTHWARDS methodology is audited annually by an external verification company" (Johnson & Johnson, 2021). Within the Earthwards program, Johnson & Johnson looks at the life cycle of products and tries to improve the environmental footprint of the products. For example, Johnson's® Baby Shampoo Gold from 1953 was redesigned via Earthwards to be more ecofriendly, now it is not only made with less water but it now takes 35% less energy to make it (Johnson & Johnson, 2021). They have done with numerous products like Listerine by redesigning it to use less raw materials during its production. "The new version of the product also uses 25% fewer raw materials. "It's less of an environmental burden because fewer raw materials are coming from various areas," Iannuzzi explains. "It's inherently better for the environment" (Mazur, 2017). This small change will

eventually make big difference for the environment if done to a large number of products. In fact, according to Johnson & Johnson's sustainability report “Earthwards® is an integral part of Johnson & Johnson’s Health for Humanity 2020 goals: New and existing products representing 20% of Johnson & Johnson revenue achieve Earthwards® recognition for sustainable innovation improvements.” By 2020 they wanted to have EarthWards 20% of their products, which they did not due to COVID-19 and the amount of time and money it takes to re-engineer a product, but slowly they will get there.

Another area within the sustainable portion of CSR that Johnson and Johnson focus on is their environmental impact on the planet. Johnson and Johnson have enacted several programs to help limit their CO2 emissions. According to Johnson and Johnson’s 2019 Health for Humanity Report “30% of the electricity that's produced, is from renewable energy sources, and there has been a 32% reduction in CO2 emissions since 2010, within the whole company” (Johnson & Johnson,2021). Clearly, Johnson and Johnson have made great efforts within the past decade to minimize their CO2 emissions, only time will tell if Johnson and Johnson will continue to try to reduce their emissions, they do have plans to keep going with the whole save the planet movement. They were able to achieve this by teaming up with companies like RE100 back in 2014 where they developed a strategic partnership to ensure their advancement with being more sustainable was pursued. According to Jed Richardson, Senior Director Environmental Stewardship at Johnson & Johnson:

> We have very much enjoyed our strategic partnership with RE100. We joined The Climate Group’s RE100 initiative in September 2015 and have found it instrumental in guiding us forward as an organization to help us achieve our commitments of creating a long-term sustainable impact for people and the planet. The RE100 team hosts numerous

forums on global renewable energy challenges, which have allowed us to connect with other members about policies and share best practices. (Richardson, 2018)

Johnson and Johnson owe RE100 the credit for enabling them to do great things for the environment. Not all of Johnson and Johnson's goals were put into effect. For example, the 2019 Health for Humanity Report states "Our current goal is 35% renewable electricity by 2020, which we believe is achievable, followed by a more ambitious goal of 100% by 2050." But as mentioned earlier they only achieved 30% by 2020, and also 100% by 2050 is too late, by then irretrievable damage will have already been done to the planet. Johnson and Johnson need to continue to make renewable energy for their factories in order to improve the planet, their company, and. society.

Conclusion

All in all Johnson & Johnson has been very involved with its CSR policies since the start of the company. However, like all companies, they have done many great things as well as bad, and having thousands of litigations against them. Johnson and Johnson have good intentions but sometimes do not always follow through. From helping the community by developing a single dose COVID-19 shot to hurting the community by having a product on the shelves knowing that it causes cancer, these two examples show the two extremes of the spectrum Johnson and Johnson undergo within doing business. In order to improve their business, Johnson and Johnson must stick to their CSR plans by continuing the change that they have started, trying to achieve their goals. Johnson and Johnson have to improve their COVID-19 vaccine and continue the clinical trials to ensure that the vaccines are safe. To find answers to why blood clots are developing only in women and try to reengineer one that it does not cause any harm. They need to continue investing money and have a large research and development budget to continue to

make medical advancements for the company. They need to resolve all of their unsettled ligations against them, in order to grant justice to those who have suffered medically due to using a product of theirs. With paying out all these settlements Johnson and Johnson should continue to be as transparent about the ingredients within their products and the repercussions of using their products, as possible. Johnson and Johnson should own up to knowing that they had contaminants in their product and try to standardize their manufacturing procedures to ensure that contaminants are left out, especially those that cause harm like bacteria and ones that caused cancer. Another area that Johnson and Johnson can improve on is having a set fund that is allocated just for settlements. This will ensure that everyone who's ever suffered from using a Johnson and Johnson product will be compensated the proper amount. It is imperative that Johnson and Johnson try to reach their goal of becoming 100% energy powered with sustainable energy way before 2050. They can achieve this goal by investing more money into renewable energy and teaming up with other companies that encourage sustainable energy and continue to develop strategic plans and how they will achieve 100% renewable energy just like they did with RE100. That way they achieve this goal before 2050, when it is too late to implement any real change due to climate change being so far forward. If Johnson and Johnson continue to do all the good on their CSR report and focus to solving and lessen the burden on society, owns up to past mistakes their withing their CSR policies, then they would be one other follow suit to.

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