

Confindustria Dispositivi Medici

Johnson & Johnson Italy Disclosure Methodology

Preamble

Johnson & Johnson Italy fully subscribes to the mission of Confindustria Dispositivi Medici (CDM) to promote a balanced policy environment that enables the medical technology industry to meet the growing healthcare needs and expectations of its stakeholders. Moreover, Johnson & Johnson Italy is dedicated to ensuring adherence to not only applicable laws, regulations and industry codes, but also to maintain highest ethical standards to enhance the reputation of the medical industry as a whole.

Disclosure of Transfer of Values (ToVs) provided by the industry to healthcare professionals (HCPs), healthcare organizations (HCOs) and other third parties (TPIs) is an important step in a larger effort to providing more transparency in how the industry interacts with HCOs and HCPs.

As far as the HCPs are concerned, Johnson & Johnson Italy shall disclose the amount of ToVs made over the course of the previous year. Where the HCP does not give consent to the processing of personal data, Johnson & Johnson Italy shall in any case arrange for the publication of data on an aggregate basis.

In general, we follow the definitions and guidance from the CDM Code of Ethics. Where these guidelines are not specific the below questions and answers are designed to clarify the methodology, we use to include ToVs from a Johnson & Johnson Italy in our CDM disclosure report.

We include all ToVs that were entered into as of January 1, 2020 and all the data will remain published for a period of 3 years from the time of publication.

Impacted Johnson & Johnson Italy sectors / products in scope

This disclosure report includes ToVs from our following legal entities in Italy: Johnson & Johnson Medical SPA, AMO Italy SRL and Johnson & Johnson SPA.

What ToVs inclusion rules do we use?

All our reportable ToVs relating to a calendar year and known as per the date of submission, will be included in our public disclosure report.

The ToVs will be included in our disclosure report for the calendar year in which payment was executed in our financial systems (applicable also for down payments / advance payments). In-kind support (e.g. product or services), will be included in the disclosure report for the calendar year in which the activity occurred.

Although we strive for efficient and fast processing, it might occur that payment information becomes available only after the date of publishing. We expect this to be exceptional and will monitor actual occurrences. In case of significant changes to the initial report, we will provide an amendment within a reasonable timeframe.

How do we report ToVs related to multi-year contracts?

For contracts that span across multiple years, typically a split payment approach is used. This means that each of these separate payments will be included in our disclosure report of the calendar year in which we executed the actual payment in our financial systems. In-kind support values will be included in the report of the year when the activity occurred.

How do we report in-kind support values?

- 1) Commercially available / saleable Johnson & Johnson product provided to HCOs/TPIs for the educational purposes – to be disclosed at Johnson & Johnson Italy List Price.
- 2) Commercially available Johnson & Johnson equipment provided under loan conditions or similar, returned to Johnson & Johnson after use – to be disclosed at loan / lease term value (in line with local charge / price) OR cost of logistics, cleaning, admin (fee to cover management cost).
- 3) Training product, typically re-usable, returned to Johnson & Johnson after use – to be disclosed at cost of logistics, cleaning and admin and proportional “wear & tear” cost.
- 4) All other in-kind supports (services, personnel, access to platforms for virtual events, etc.) - to be disclosed at cost.
- 5) Travel & Accommodation expenses – to be disclosed at cost without agency fees.

Is VAT included?

All monetary ToVs are reported exclusive of VAT.

How are different currencies handled?

All values reported are in local currency – EUR.

For ToVs that were originally made in non-local currency, a conversion to the local currency is made based on Johnson & Johnson annual exchange rates. The details can be provided on a case by case basis.

Are ToVs made by Johnson & Johnson based outside of Italy to recipients practicing or registered in Italy reported?

All ToVs are in scope of the CDM disclosure requirements will be reported regardless of which Johnson & Johnson company provided the ToVs to the recipient that is registered or practicing in Italy.

What recipients' address do we show in the disclosure report?

We will display the most recent address that we have in our database at the time of the reporting.

Disclaimer

We rely on a combination of automated systems, standardized processes, and manual data entry from internal and external resources to record relevant data and finally report it. The information reported in this submission reflects our good faith and best efforts to comply with the requirements of CDM. Should we, despite our best efforts to ensure accurate reporting, fail to include complete and correct information in our submission, we will appropriately investigate and address in case of erroneous information.

The ToVs disclosed as per CDM requirements are only used to meet the respective reporting requirements. The costs are not to be used as backup for any TAX Authority Reporting, or any other reporting similar to this.