1st Quarter, 2003



What is Healthy People 2005?

Johnson & Johnson seeks to create an environment where our employees can achieve optimal health and well-being through a new initiative, *Healthy People 2005*. Designed to improve the health and vitality of our employees, *Healthy People 2005* exemplifies our Credo commitment to our employees.

Promoting a Healthy Workforce = Good Business

A number of studies support the fact that an unhealthy person is less productive and costs a company more than a healthy person as evidenced by:

- · Higher use of health care services
- · More unscheduled absences and sick days
- · Greater overtime costs to cover for sick days/absences
- · Greater recruiting and training costs to replace employees
- More work-related injuries/illness
- · Low morale by employees who have to cover for sick/absent employees
- · High stress levels that can cause mistakes, rework, project delays, etc.

There is a very clear business case for achieving and maintaining a healthy workforce. Participation in wellness programs has shown:

- · a reduction in the frequency and seriousness of workplace injuries
- · lower costs associated with those who suffered workplace injuries.

Significant cost savings per dollar spent on worksite health promotion programs have been reported.² Overall, the dollars saved averaged \$4.11 for every \$1 spent.

Bottom line:
A healthy workforce yields productivity gains.

Healthy People 2010 – A National Initiative

Did you know...

- Direct medical costs attributable to smoking in the U.S. total at least \$50 billion per year
- In 1997, only 15% of adults participated in the recommended amount of physical activity, and 40% of adults engaged in no leisure-time physical activity
- Medical cost and lost productivity attributable to obesity amounted to an estimated \$99 billion annually

These statistics are part of the driving force behind Healthy People 2010, a comprehensive program coordinated by the U.S. Department of Health and Human Services. This initiative is designed to promote health and disease prevention for all Americans by 2010.

The program has two overarching goals:

- to increase the quality and years of healthy life, and
- to eliminate health disparities nationwide.

Healthy People 2010 focuses on key health indicators that reflect critical health issues. It is well-documented that motivating individuals to act on just one or two of these indicators can have a profound effect on increasing the quality and years of healthy life.

First Things First - The Health and Wellness of Our Workforce

Johnson & Johnson is committed to the men and women who work with us throughout the world. We have invested millions of dollars and continue to dedicate significant time and resources to provide Health & Wellness services that improve overall employee health.

The Health & Wellness Vision

To optimize the health, well-being and productivity of Johnson & Johnson employees The launch of *Healthy People 2005* is a focused effort to continue to create an environment that promotes a healthy and productive workforce.

The premise of Healthy People 2005 is that the health of the individual is inseparable from the overall health of the corporation.

Since 1995, we have assessed and measured many key health indicators as part of the Johnson & Johnson Health Profile. These key health indicators include: Physical Activity, Overweight

and Obesity, Cholesterol, Blood Pressure and Tobacco Use.

Health & Wellness continues to monitor employees' progress via the Health Profile.

In 1996, 90% of our employees in the United States participated in the Health Profile. Over the next two years, we will be reassessing our employee population, and the outcome data from this latest Health Profile will be used to measure our progress towards Healthy People 2005 targets.

A Healthy Johnson & Johnson Workforce is Good for OUR Business

There are many modifiable risk factors that affect personal health and the achievement of a healthy lifestyle. To address these factors, Health & Wellness currently offers programs in a wide range of health enhancement and health management areas. These include:

- TotalHealth® lifestyle counseling and patient advocacy service
- www.jnjhealthandbenefits.com
- Health Profiles
- Employee Assistance Program (EAP) Services
- Work/Life Services through LifeWorks®
- Stress management initiatives

Johnson & Johnson Health & Wellness initiatives have consistently demonstrated positive economic impact and benefits. An integrated health promotion effort benefits our business.

Outcomes studies² demonstrate:

Reduced absenteeism -

18% decrease in absenteeism in participating companies.

Reduced medical costs -

Demonstrated improvements in weight control, blood pressure control, cholesterol, and smoking cessation contributing to an estimated 3% to 5% reduction in health care costs.

The overall savings per Johnson & Johnson employee per year since the introduction of Health & Wellness are significant.³ They amount to \$225 annually per employee. Health & Wellness programs also increase productivity and job satisfaction, and positively impact employee morale.



HEALTHY PEOPLE 2005: THE PLAN

Healthy People 2005 is the next generation of our Health & Wellness programs and services – with a dedicated focus on four key health targets: Smoking, Blood Pressure, Cholesterol, and Physical Activity. These targets are in alignment with several national Healthy People 2010 objectives:

	HEALTHY PEOPLE GOALS	United States Healthy People 2010		Johnson & Johnson Healthy People 2005	
	Indicators	Baseline	Target	Baseline*	Target
	Smoking Tobacco Use	24%	12%	12%	9%
	Blood Pressure Above 140/90	28%	16%	14%	10%
	Cholesterol Above 240	21%	17%	19%	15%
	Inactivity 30 minutes of physica occurring less than 3		20% alking, exercise, l	39% housework, yardwor	25% k

*based on Health Profile results 1995-99

Our goal is to partner with the leadership of each Johnson & Johnson operating company to reach our optimal health and productivity targets.

Health & Wellness will work collaboratively with each operating company to provide the tools, resources and support required to implement our programs and initiatives. These programs will be designed to:

- improve employee health to achieve Healthy People 2005 health targets,
- add value to the organization, and
- provide a positive return on investment (ROI) to the bottom line of each operating company.

In support of *Healthy People 2005* objectives and targets, Health & Wellness will provide:

- The Healthy People 2005 strategy and framework for Johnson & Johnson and each operating company
- Recommendations and resources to implement "best in class" programs and initiatives
- Evaluation and/or development of new programs, to include online resources and initiatives
- Consultation and support to develop Healthy People 2005 implementation and communication plans within each operating company
- Communication, marketing tools and resources to launch and implement programs
- Healthy People 2005 Metrics to include operating company specific baseline data and annual targets to track and assess progress toward goals.
- Healthy People 2010: Understanding and Improving Health,
 U.S. Department of Health and Human Services, November 2000
- 2 Are Worksite Health Promotion Programs Cost Effective? Healthy Community-Healthy Economy, an Initiative of Joint Venture: Silicon Valley Network website, http://www.jointventure.org/ initiatives/health/96direct/effect.html
- 3 The Long-Term Impact of the Johnson & Johnson Health & Wellness Program on Health Care Utilization and Expenditures, Journal of Occupational and Environmental Medicine, January 2002

JOHNSON & JOHNSON Leadership — Your Role in Healthy People 2005

To ensure the success of *Healthy People 2005*, we need your direct involvement and support. We're asking all operating company leaders to:

Communicate the Healthy People 2005 Message -

- · Adopt the Healthy People 2005 strategy.
- Communicate the objective of improved health and optimal performance with your employees.

Establish Healthy People 2005 as a Business Commitment -

- Allocate the appropriate resources (time, effort, people) toward Healthy People 2005 initiatives.
- Promote the programs and services offered by Health &
 Wellness in the four key health targets: Smoking, Blood Pressure,
 Cholesterol and Physical Activity.

3 Reinforce our Credo and Values -

- · Create a healthy lifestyle culture within your organization.
- Encourage your employees to take action to improve their health and well-being.

4 Make a Personal Commitment -

- Include Healthy People 2005 objectives in your personal goals.
- · Participate in the Health Profile.
- Experience first-hand the benefits of optimal health and well-being.

SUMMARY and NEXT STEPS

Johnson & Johnson as a company has an important leadership opportunity in the national Healthy People 2010 Program.

Our active participation and involvement is a natural extension and focus for our Credobased initiatives. Johnson & Johnson's support of Healthy People 2010 demonstrates our commitment to our employees' health.

Our own initiative – Johnson & Johnson Healthy People 2005 – will significantly contribute to that effort. The investments we make in Healthy People 2005 will, in turn, contribute to the health and well-being of the local communities in which we live and work. Finally, as we work towards our key health targets, this effort will have significant and positive economic impact on our company profitability due to reductions in overall health care costs and the increased productivity of a healthier workforce.

As we move forward with our Healthy People 2005 campaign, Health & Wellness will communicate with you about our goals, project plan and progress. We need your commitment to collaboratively reach our Healthy People 2005 objectives and achieve a healthier, more productive workforce at Johnson & Johnson.