February 7, 2023

Dear Mr. Duato,

We are writing to express our grave concern about Johnson & Johnson’s alleged demand for payment from Gavi for 150 million unwanted vaccines, as reported in the New York Times article, “Vaccine Makers Kept $1.4 Billion in Prepayments for Canceled COVID Shots for the World’s Poor.” Forcing Gavi to pay an exorbitant sum for vaccines that it has repeatedly told J&J it does not want verges on extortion. This predatory behavior not only threatens to drain much-needed resources from a nongovernmental organization tasked with protecting the world’s most vulnerable communities but also harms J&J shareholders by generating significant reputational damage.¹ Any intimation that shareholders – or taxpayers, as public investment played an important part in the development of the vaccine – are no longer concerned about J&J’s COVID-19 vaccine pricing transparency, access strategy, or approach to patents is clearly mistaken. The company’s handling of its COVID-19 vaccine continues to expose the company, investors, and other stakeholders to risk.

Moreover, this does not appear to be an isolated incident: last October, Devex reported on J&J’s alleged attempt to force South Africa to pay for more than 11 million unwanted COVID vaccines, despite the government’s continuous efforts to renegotiate the contract. This becomes more troubling still in light of J&J’s own “operational and approval issues” that plagued its ability to fulfill its obligations to South Africa in a timely way, including production delays and thawed vaccines that were rapidly approaching expiration. As J&J shareholders, we are dismayed by its attempts to coerce payment from NGOs and governments that are striving to protect the health of low- and middle-income communities.

These actions further alienate J&J from its founding principle to “put the needs and well-being of the people we serve first.” As we noted in our April 5, 2022 letter to you, “we are deeply concerned that the face of Johnson & Johnson has changed drastically in recent years, and that the ethical application of the Credo has diminished.” As we said then and still holds true today, “we remain deeply concerned about the risks presented to investors, customers and the community at large that seemingly have gone unchecked.” More recently, J&J established “Our Race to Health Equity” whereby the company committed to helping “combat social and racial determinants of health.” The company’s approach with Gavi stands in stark contrast with this commitment.

We call on Johnson & Johnson to live its Credo, prioritize the well-being of communities, cease any demands to Gavi and governments to pay for unwanted vaccines and refund any prepayments for shots not delivered.

Sincerely,

ICCR Health Equity Team

¹ This holds particularly true when considering the more reasonable behavior of J&J’s competitors, some of whom reportedly provided refunds for overpayment and converted orders to options without penalty fees.