



Introduction to Enterprise Risk Management Framework

As a leader in Consumer Health, Kenvue proudly serves billions of people worldwide to fulfill our purpose of realizing the extraordinary power of everyday care. This purpose is built on the strong combination of our Values, Behaviors and Commitments that allow us to achieve our vision of driving executional excellence to boldly grow our reach and enhance the everyday care of consumers around the world.

Further guided by our Code of Conduct, we ensure that our business practices put people first and that our business decisions are ethical and based on integrity. Every Kenvuer is encouraged to be open, candid, and fact-based in evaluating risks to ensure that we make carefully measured decisions to mitigate risk. We are aligned to the following definition of Enterprise Risk Management (ERM): “The culture, capabilities, and practices, integrated with strategy-setting and performance, that organizations rely on to manage risk in creating, preserving, and realizing value.” This definition and approach to ERM is informed by principles outlined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

This document provides an overview of the Kenvue ERM Framework and illustrates how this approach is implemented within our organization. It includes the following elements:

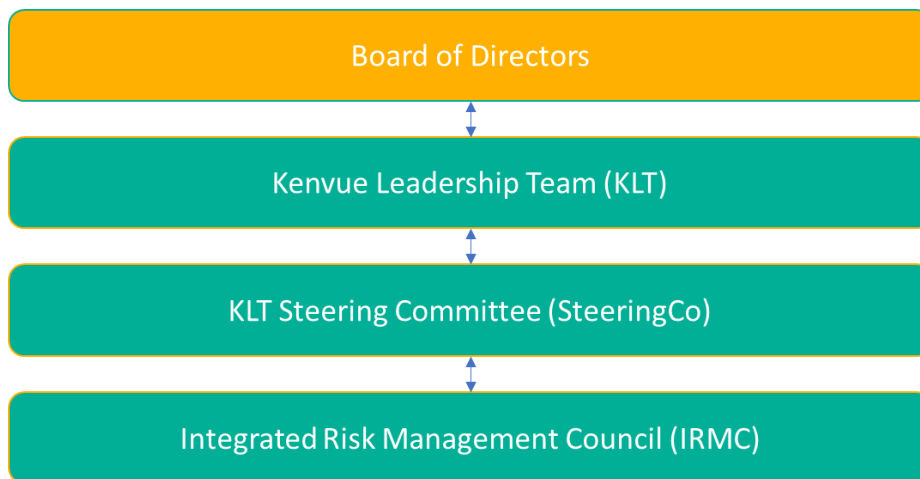
- Our Governance & Oversight
- How We Define & Categorize Risk
- Our Process to Manage Risk
- How We Link ERM to Strategy & Objective-Setting

Our Governance & Oversight

An effectively functioning governance structure for ERM is critical to ensure that:

- Risk ownership and accountability are clearly designated
- Communication plans are coherent and capably executed
- Resources allocated to risk management and staffing are sufficient
- Enterprise risks are identified, assessed, and managed in a coordinated manner

To ensure these objectives are achieved, we have established the following four-tier ERM governance structure with top level oversight from the Kenvue Board of Directors:



Board of Directors

The Kenvue Board is responsible for overseeing senior management’s execution of its risk management duties and for assessing its approach to risk management. The Kenvue Board’s oversight of risk is an integral element of its oversight responsibilities and seeks to ensure that senior management has processes in place to appropriately identify and manage risk. The Kenvue Board is actively engaged with senior management to understand and oversee Kenvue’s most significant risks.

For example, the Nominating, Governance & Sustainability Committee of the Board meets quarterly and reports to and assists the Board by providing oversight of product quality and safety, privacy and cybersecurity, environmental matters and other key regulatory areas that may impact the Company. The Audit Committee also meets quarterly to provide oversight of our financial compliance, as well as in private sessions with the Chief Financial Officer, the Chief Audit Executive, the General Counsel and representatives of the Company’s independent auditor.

Kenvue Leadership Team (KLT)

The KLT establishes overarching strategic goals and oversees the business segments as well as the Enterprise risk functions, which are functionally independent from commercial interests. The KLT promotes risk governance and provides oversight on adherence to the established ERM framework.

KLT Steering Committee (KLT SteerCo)

The KLT SteerCo is a subset of senior leaders from the KLT, whose primary purpose is to ensure that a consistent and cohesive Integrated risk management approach is applied for Kenvue’s risk management activities and programs.

Integrated Risk Management Council (IRMC)

The IRMC, which includes senior enterprise risk leaders, serves as a cross-functional team to identify and share emerging risks and common practices, especially for cross-functional risks that require an integrated approach or may have a cross functional or cross regional impact. The IRMC partners with commercial leaders across our businesses to evaluate risk levels and business processes to ensure they are consistent with the risk tolerance, internal risk policies, and regulatory requirements for risk management. In addition, the IRMC provides feedback for the proactive design and continuous improvement of the integrated risk management approach.

How We Define & Categorize Risk

ERM informs our strategic planning activities through a collaborative risk management environment that proactively identifies and prioritizes our Strategic, External (including new or changing

regulations), and Preventative risks. This framework enables a clear understanding of the top risks and the exposure they may have to our performance and strategic decisions.

To ensure that the Kenvue ERM Framework appropriately incorporates the evolving risk landscape for a consumer health company, we have identified the following nine key categories that align under either Strategic, External, or Preventative risks, and are used to guide discussion and focus on risk identification:

- Operational
- Geopolitical
- Socio/economical
- Financial
- Cyber
- Reputational
- Regulatory/Legal/Compliance
- Strategic
- Environmental & Safety

Our Process to Manage Risk

The risk identification process includes the collection of risk-related information obtained from internal (including survey of risk functions and data analytics) and external sources (including horizon scanning activities).

The risk assessment process includes examination and analysis of risks, using consistent risk rating criteria for impact, likelihood, management preparedness, and velocity.

Upon completion of the risk assessment, risk response planning is initiated. With support from the IRMC team, respective risk owners are accountable for identifying the risk tolerance for each risk, developing mitigation activities, and executing risk response plans.

Risk owners monitor the effectiveness of the risk mitigation activities and determine whether the risk should be escalated.

Key risks are reported to the relevant stakeholders including business and relevant risk leader(s), KLT member(s), KLT SteerCo or the full KLT, as appropriate.

How We Link ERM to Strategy and Objective-Setting

As noted above, our approach to risk management is integrated across all levels of the organization. Risks are constantly reviewed by the relevant leaders and leadership teams to ensure that our strategic objectives, initiatives and decision-making processes are informed by the relevant risks. During the year, the KLT SteerCo reviews the top enterprise risks, their risk exposure, and response planning activities. This will allow senior leadership to make informed decisions on how certain risks may impact the Enterprise's strategic objectives and report accordingly to the Kenvue Board.