

Double Materiality Assessment Process Disclosure

Kenvue Inc. (“Kenvue” or “the Company”) finalized an enterprise-wide double materiality assessment (DMA), aligned with the Corporate Sustainability Reporting Directive (CSRD) and the draft European Sustainability Reporting Standards (ESRS), in 2023.¹ The assessment leveraged input parameters including internal and external stakeholder engagement, as well as primary and secondary research and documentation, to identify environmental, social, and governance (ESG) impacts, risks, and opportunities (collectively, IROs) associated with key sustainability topics. The assessment deemed nine topics to be material from an impact materiality perspective, and an overlapping four topics from a financial materiality perspective. These topics informed our public ESG reporting and internal strategy and risk assessments.

The results of the DMA are captured in our Company’s enterprise risk profile under “ESG & Sustainability” and “Climate Change.” Kenvue will coordinate with risk owners to understand the current and future actions to be implemented to manage and mitigate these risks.

Table 1. Kenvue Material Topics

| Kenvue Material Topics | Material from a financial materiality perspective | Material from an impact materiality perspective |
|--------------------------------------|---|---|
| Biodiversity, land & forests | | ✓ |
| Climate change | ✓ | ✓ |
| Diversity, equity & inclusion | ✓ | ✓ |
| Human & labor rights | | ✓ |
| Plastics | ✓ | ✓ |
| Product transparency | | ✓ |
| Public health | | ✓ |
| Sustainable product innovation | ✓ | ✓ |
| Workforce health, safety & wellbeing | | ✓ |

As a new company, this is our first materiality assessment. It will be reviewed and updated periodically. As Kenvue continues to build and enhance our ESG strategy, the process to identify, assess, and manage impacts, risks, and opportunities will be increasingly integrated into the Company’s overall management and risk management processes. Additionally, Kenvue will continue to build robust governance, decision-making, and internal control processes and procedures to ensure the replicability of the DMA in the future.

¹ Kenvue aligned with the Draft ESRS Standards, which were published in November 2022. Further changes might apply by considering the final ESRS Standards published on July 31, 2023. This document is intended to satisfy ESRS 2: General Disclosures, Disclosure Requirement IRO-1 - Description of the process to identify and assess material impacts, risks, and opportunities.

Methodology²

Kenvue worked with a consulting partner to build a comprehensive list of potentially material topics relevant to our Company's business and sustainability context, leveraging various internal and external sources representing a range of stakeholder groups and perspectives. Kenvue and our consulting partner then refined the list of topics based on their similarities and relevance to our Company's business context.

The refined topic list was discussed extensively with internal and external stakeholders. Kenvue also consulted stakeholders to understand how our Company's operations may impact them, how Kenvue may be affected by ESG topics, and to gather evidence of actual or potential IROs related to each topic. Kenvue engaged with two types of stakeholders, including:

- Internal: Company leaders, subject matter experts (SMEs), and employees
- External: Customers, healthcare professionals, industry and trade associations, NGOs, academic organizations, suppliers, external manufacturers, and other external partners

Through the stakeholder engagement process, Kenvue and our consulting partner conducted phone interviews with 20 internal and 23 external stakeholders and received survey responses from 24 internal and 26 external stakeholders. Kenvue selected internal interviewees to represent key business management levels, functions, and geographic regions. Interviewees were also selected based on their expertise and knowledge of our Company, our value chain, and our sustainability practices. Similarly, external interviews were conducted and covered a range of regions, stakeholder types, and perspectives across the Kenvue value chain.

Kenvue and our consulting partner⁴ also developed a map of our Company's value chain that depicted our Company's business model, governance structures, and stakeholders, displaying the full range of activities needed to create its products or services. The value chain map comprised all steps involved in bringing a product or service from conception to end-of-life—such as procuring raw materials, manufacturing and support, logistics, product use, and disposal. The map also considered six capitals³ to understand connections and dependencies. The map was reviewed and validated through a workshop with 26 internal stakeholders, who also identified where in the Kenvue value chain IROs were most likely to arise. The team used the findings from the stakeholder interviews, surveys, value chain mapping workshop, and additional source review to finalize the topic list.

Determining Impact Materiality⁴

Kenvue and our consulting partner identified, assessed, and quantified our Company's actual and potential, positive and negative impacts on people and the environment. Using evidence collected during stakeholder engagement, source evaluation, and the value chain mapping workshop, Kenvue mapped impact statements to each topic in the final topic list, identifying whether the impact was positive or negative and specifying at least one value chain location where each impact occurs. Where impacts may occur at multiple value chain locations, this allowed for separate assessments of the severity and likelihood of an impact at each point in our Company's value chain—helping Kenvue to prioritize areas that may give rise to heightened risk of adverse impacts.

The team assessed the materiality of potential positive or negative impacts based on both the severity and the likelihood of the impact. The severity of negative impacts was measured by the scale, scope and irremediable character of the impact, while the severity of positive impacts was measured by the scale and scope of the impact. Likelihood was assessed individually.

² It was assumed throughout the DMA that the relevant inputs were representative of our Company's key stakeholders and that they demonstrated sufficient understanding of Kenvue, our operations, products, activities, and sustainability context. It was also assumed they provided an adequate body of evidence for identifying our Company's actual or potential IROs.

³ Kenvue employed the six categories of capital (financial, manufactured, intellectual, human, social and relationship, and natural) as defined by the [International Financial Reporting Standards \(IFRS\) Foundation](#).

⁴ It was assumed throughout the impact materiality assessment that the evidence leveraged from previous phases sufficiently represented our Company's actual or potential, positive and negative impacts on people and the environment. It was also assumed that impacts specific to Logistics, Distribution, and Manufacturing value chain locations were uniform across the value chain, and therefore were not separated into upstream, operations, and downstream impacts. To normalize scores, both the averaging of individual impacts across topics as well as the calibration step, as described in the Prioritization and Validation section, were considered necessary. Averaging individual impacts across topics helped reduce the impact of outlier scores, however, this may also lessen the contribution of legitimate perspectives that lie outside of the average topic score.

Qualitative and quantitative thresholds were determined to assess the magnitude of the scale, scope, and irremediable character of impacts, as well as the likelihood of impacts. In a series of 13 workshops covering 21 topics, Kenvue SMEs applied these guidelines to determine the scale, scope and, where relevant, irremediable character of each impact; separately, they assessed the likelihood of each impact. Ultimately, the group quantified both the severity and likelihood of each impact.

Determining Financial Materiality⁵

Kenvue and our consulting partner also identified, assessed, and quantified sustainability-related risks and opportunities that have or may have financial effects on Kenvue. Risks and opportunities were not constrained to matters within the control of Kenvue, but also included information attributable to business relationships with other undertakings or stakeholders beyond the scope of consolidation used in the preparation of financial statements. When identifying risks and opportunities, analysts also considered sustainability impacts that could lead to financial risks and opportunities. The team collaborated with the Kenvue Global Risk Management Team to integrate guidance from the Kenvue enterprise risk management process into the financial materiality assessment methodology.

Using the evidence collected from stakeholder engagement, source evaluation, and value chain mapping, as well as our Company's Global Risk Management analysis, the team created a register of risks and opportunities for each of the topics in the final topic list. The team assessed the materiality of risks and opportunities associated with each topic based on a combination of the likelihood of occurrence and the magnitude of the potential financial effects. The magnitude of the potential financial effects was measured qualitatively and/or quantitatively by our Company's exposure to each risk and opportunity based on the potential reputational, operational, and associated financial implications, as well as the velocity and likelihood, of the risks and opportunities. The likelihood of occurrence was measured by our Company's management preparedness, as indicated by the maturity of internal controls at Kenvue, and the degree of certainty.

In a series of 13 workshops covering 21 topics, Kenvue SMEs applied these frameworks to determine exposure to and management preparedness for each risk and opportunity, ultimately quantifying the likelihood of occurrence and the size of the potential financial effects.

Prioritization and Validation⁶

Following the impact and financial materiality assessment workshops, the Kenvue ESG & Sustainability Team reviewed and calibrated the quantification (or score) of each IRO to ensure consistent application of the respective methodologies across all ESG topics. The finalized IRO scores associated with each topic determined a final, overarching topic score.

For impact materiality, the threshold for materiality was a topic-level severity and likelihood score greater than or equal to two on a three-point scale, which represents a moderate level of severity and likelihood. This resulted in nine topics considered material from an impact materiality perspective.

For financial materiality, the threshold for materiality was a topic-level exposure score and management preparedness score greater than or equal to three on a five-point scale, aligned with thresholds set by our Company's Global Risk Management Team. This resulted in four topics considered material from a financial materiality perspective.

Finally, Kenvue and its consulting partner held a validation session with the Kenvue corporate secretary, the ESG function lead, and representatives from internal audit, compliance, and controllership to review and validate the scoring and resulting topic prioritization and discuss implications for disclosure and management. Kenvue intends to use the results of the assessment to guide the Company's sustainability strategy, including goal setting for material topics.

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⁵ It was assumed throughout the financial materiality assessment that the evidence leveraged from previous phases sufficiently represented our Company's actual or potential risks or opportunities and the related effects on the Company's financial development, performance, and position. To normalize scores, both the averaging of individual impacts across topics as well as the calibration step, as described in the Prioritization and Validation section, were considered necessary. Averaging individual impacts across topics helped reduce the impact of outlier scores, however, this may also lessen the contribution of legitimate perspectives that lie outside of the average topic score.

⁶ It was assumed throughout the prioritization and validation process that the thresholds chosen for both the financial and impact materiality matrices sufficiently captured topics material to the Company's unique business and sustainability context.