

*Lilly*



2023

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# Sustainability Report

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Lilly is a medicine company turning science into healing to make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes working to ensure our medicines are accessible and affordable.

Our [Sustainability](#) site always contains the latest information about our sustainability strategy, goals, progress and data.  
This file is provided as an archive of Lilly's 2023 Sustainability Report.



### To Our Stakeholders:

As a medicine company dedicated to improving human health for nearly 150 years, Lilly unites caring and discovery to create medicines that make life better for people around the world. Driven by this purpose, we work to launch innovative breakthroughs for serious diseases, strengthen our communities and serve as good stewards of our natural resources.

This holistic approach to sustainability has always been integral to how we operate. We continue to set aggressive goals, report on our progress and hold ourselves accountable. Sustainability highlights since our last report include:

- Advancing toward our 2030 climate goals of being carbon neutral in our own operations and purchasing all our electricity from renewable sources. We purchased 28% of our electricity from renewable sources in 2023 and reduced our greenhouse gas emissions by 26% since 2020, while our business has grown.
- Signing a renewable power purchase agreement for a new large-scale wind farm, which will generate approximately 450,000 megawatt-hours per year of renewable energy, representing over 90% of our electrical demand in North America.
- Providing \$4.3 billion in medicines in 2023 to charitable organizations that offer medicines at no cost to qualifying patients around the world. This included more than \$68 million in medicines to humanitarian organizations that support disaster preparedness, disaster relief and humanitarian aid.

# A Message from Our CEO

**David A. Ricks**

**Chair and CEO**

- Reaching an estimated 18 million people in 2023 as part of our 30x30 goal of improving quality health care for 30 million people living in resource-limited settings annually by 2030.
- Making insulin more affordable, reducing the U.S. list price of our most commonly prescribed insulins by 70% and capping out-of-pocket costs at \$35 per month<sup>1</sup>.

As we move forward, sustainability and purpose will remain essential to our efforts to advance human health and make life better for all our stakeholders. Thank you for your interest in our work and support of our progress.

Sincerely,

David A. Ricks

Chair and CEO

[Download our 2023 Sustainability Data](#)

See important information about our  
[Sustainability Report](#)

My signature above affirms our company's ongoing commitment and our intent to support and advance the United Nations Global Compact's ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption, in addition to the United Nations Sustainable Development Goals.

1. Terms and conditions apply.

# Sustainability Highlights

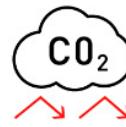


\$35 or Less  
Per Month  
for Lilly insulin<sup>1</sup>



\$4.3 Billion in Free  
Medicines Provided in  
2023

including \$68 million  
in disaster relief and  
humanitarian assistance<sup>2</sup>



Reduced  
Greenhouse Gas  
Emissions by 26%

from 2020 to 2023, while  
our overall business  
has grown



Purchased 28.4%  
of our electricity from  
renewable sources



49% Women in  
Management Globally  
24% of U.S. management  
positions held by minority  
group members<sup>3</sup>



~\$1.5 Billion  
spent with approximately 1,600  
small and/or diverse suppliers  
in 2023

1. Terms and conditions apply.

2. Includes value of medicines provided by Lilly and its affiliates to charitable organizations that offer free Lilly medicines to qualifying patients. Product donations valued at wholesale acquisition cost.

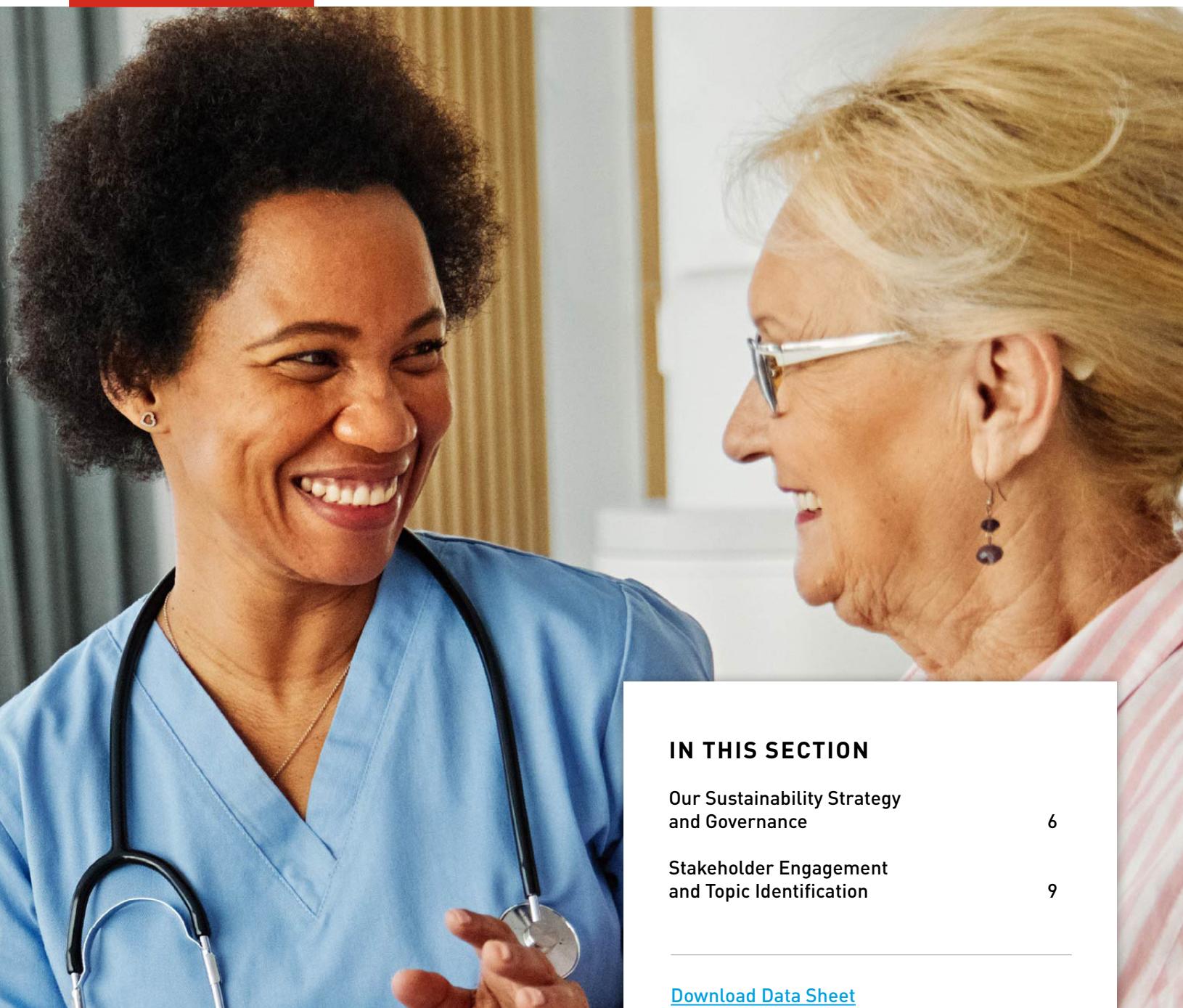
3. As of end of year 2023.

## Recognitions

At Lilly, we constantly strive to be leaders in diversity and inclusion, research and development, social impact, and employee benefits. We've received recognition from several distinguished organizations for our efforts.

[See our recent recognitions](#)

# Our Strategy



## IN THIS SECTION

Our Sustainability Strategy  
and Governance 6

Stakeholder Engagement  
and Topic Identification 9

[Download Data Sheet](#)

# Our Sustainability Strategy and Governance

Our sustainability strategy and efforts directly support Lilly's purpose to discover and develop medicines that make life better. We are striving to:



**Expand equitable access to medicines for more people around the world**



**Improve health care for people living in areas with limited resources**



**Strengthen communities and address social issues that matter to our business, employees and society**



**Empower a diverse workforce, harnessing a variety of perspectives to discover and deliver medicines**



**Reduce our environmental impact across the life cycles of our products and our supply chains**



**Operate ethically and responsibly, guided by our core values of integrity, excellence and respect for people**

Our sustainability goals are integrated into our business strategy and operations. We set ambitious, measurable goals and report on our progress through this site and other communications with stakeholders.

Our Board is actively engaged in the identification and oversight of strategic sustainability matters at Lilly. Our CEO and Executive Committee are responsible for management of our sustainability goals and their contribution to achieving our sustainability commitments is embedded into their personal performance evaluations. In addition, we actively engage our global employees in our sustainability efforts where they may have individual and collective impact.

Central to our sustainability management and implementation is our Sustainability Governance Committee, which reports to senior leadership and has a broad sustainability mandate that includes:

- Leading the coordination of sustainability strategy
- Evaluating Lilly's sustainability approach compared to peers and the broader environment

- Assessing and responding to sustainability regulations
- Leading formal, periodic sustainability strategy updates
- Integrating and institutionalizing sustainability topics throughout Lilly
- Facilitating execution of sustainability reporting activities.

## Sustainability Governance

Our Board and management are actively engaged in the assessment, management and oversight of matters pertinent to our business.

[Learn more](#)



# Lilly's Sustainability Priorities



## ENVIRONMENTAL

Climate

Water

Waste

Product Stewardship

Biodiversity

## SOCIAL

U.S. Access & Affordability

Global Access & Health

Community Engagement

Diversity, Equity & Inclusion

Employee Experience

Patient Safety

Human Rights

## GOVERNANCE

Business Ethics

Corporate Governance

Supply Chain Management

# Stakeholder Engagement and Topic Identification

Lilly solicits input from internal and external people and organizations to better determine the sustainability issues that matter most to our company and stakeholders. We obtain input and prioritization from:

- Shareholders
- Customers
- Lilly Board and Executive Committee
- Employees
- Advocacy organizations
- Non-governmental organizations
- Industry organizations
- Community organizations
- Students and prospective employees

In addition to engaging with stakeholders, we frequently conduct peer benchmarking and integrate industry and sustainability trends. We also leverage relevant sustainability reporting frameworks, including the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD).

Through this process, we focus on the 15 sustainability topics noted above, which represent important issues to internal and external stakeholders and are key to our company's long-term success. These topics are aligned with the SASB standards for the Biotechnology and Pharmaceutical industry, as well as environmental issues addressed by TCFD. Our sustainability strategy is dynamic, and we review these priorities periodically to align our approach with topics that are relevant for Lilly, our stakeholders and our industry.

## Our Commitment to the Sustainable Development Goals

[Learn more about our efforts](#)



## Sustainability Bond

In 2021, Lilly issued its first sustainability bond to advance our global sustainability strategy. In line with Lilly's Sustainability Bond Framework, we aim to allocate proceeds from the bond to eligible projects that will advance our efforts to increase access to medicines, improve lives and communities, empower a diverse workforce, minimize environmental impact and operate ethically and responsibly.

[See Our Most Recent Sustainability Bond Allocation Report](#)

# Our Sustainability Goals

We strive to set measurable goals to track the progress and performance of our sustainability strategy. Our goals help drive accountability and are grounded in our purpose to create medicines that make life better.

## Minimize Our Environmental Impact

### Climate

#### Renewable Electricity



We're committed to source 100% of purchased electricity from renewable sources by 2030.

[See Our Progress](#)

#### Carbon Neutrality



We're committed to be carbon neutral in our own operations (Scope 1 and 2 emissions) by 2030 and enhance our full value-chain emissions reporting.

[See Our Progress](#)

### Waste & Water

#### Waste and Plastics



Our goal is to have zero waste go to landfills from routine operations and have 100% of plastic waste repurposed for beneficial use, with at least 90% recycled or reused. We're also committed to integrating sustainability-focused design principles into product and packaging design processes.

[See Our Progress](#)

#### Water Security



We're committed to maintaining that 100% of Lilly sites meet predicted no-effect concentrations (PNEC) for Pharmaceuticals in the Environment and establishing and conforming to water management plans for Lilly sites in water-stressed areas.

[See Our Progress](#)

## Create Lasting Social Impact

Increase Access to Medicines and Quality Health Care



Reach 30 Million People by 2030

[See Our Progress](#)

### Improve Lives and Communities

#### Improve Supplier Diversity



About \$1.5 billion spent with approximately 1,600 small and/or diverse suppliers in 2023.

[See Our Progress](#)

#### Meet or Exceed Commitments to Combat Racial Injustice



\$19 million committed by the Lilly Foundation through 2023; Lilly employees reached the company's goal of 25,000 hours of volunteer service to combat racial injustice in 2022, and many continue to volunteer for organizations working in this space

[See Our Progress](#)

### Empower a Diverse Workforce

#### Address Underrepresentation



We're committed to addressing underrepresentation in our workforce as measured against the representation of available and qualified talent in the labor market. We continue to make progress through efforts designed to broaden the diversity of our candidate pools and reduce impediments to equal employment opportunity that may exist.

[See Our Progress](#)

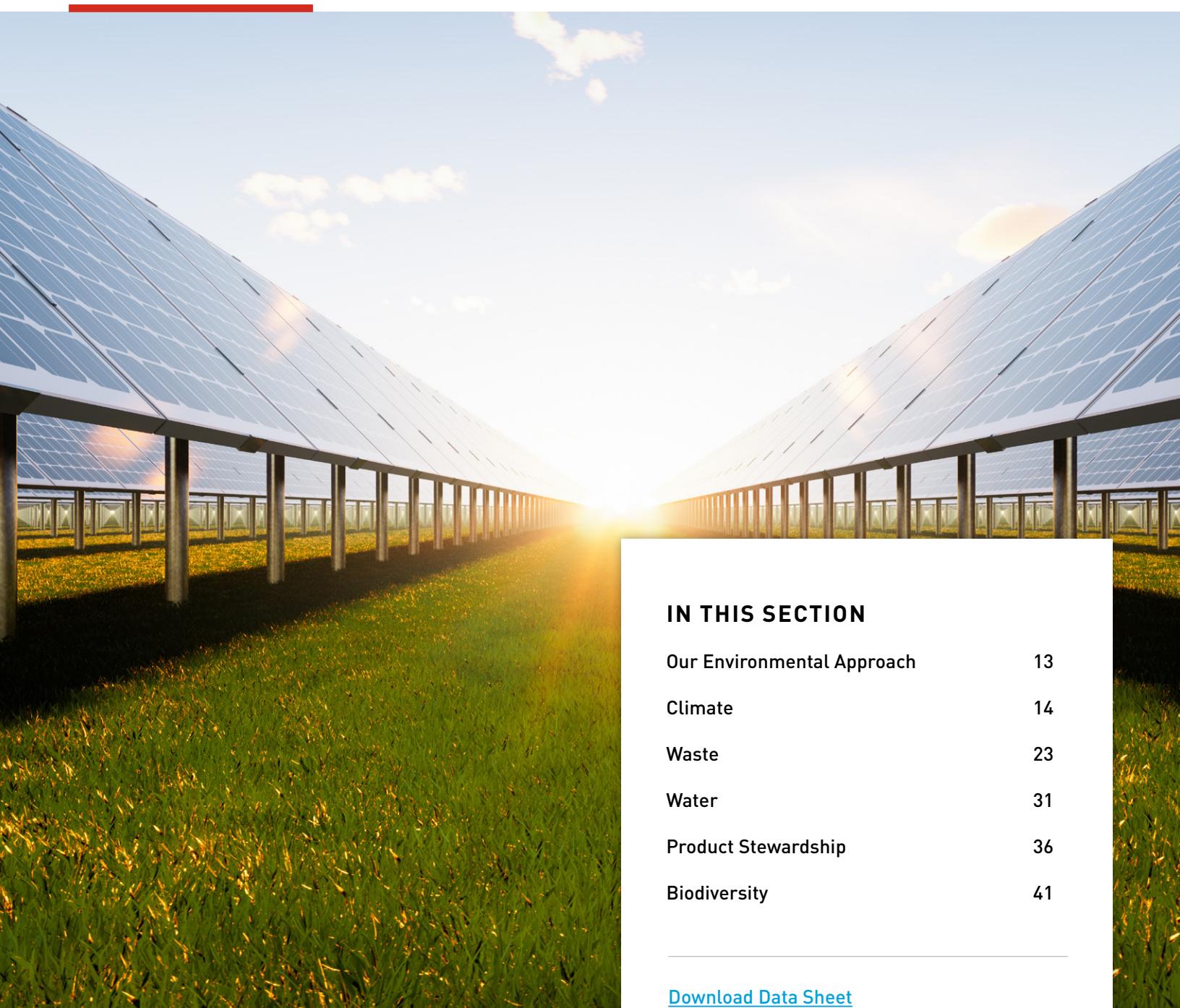
#### Zero Injuries



We strive to achieve zero severe injuries, with a focus on continuous improvement. We monitor and respond to leading and lagging metrics connected to our safety priorities and improving safety culture.

[See Our Progress](#)

# Environmental



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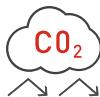
[Download Data Sheet](#)

# Our Environmental Approach

Our purpose, to make life better, includes protecting and preserving the world we live in. Making medicines requires the use of valuable resources including energy, water and raw materials. We're committed to reducing our environmental footprint. To track our progress, we measure and manage energy and water use, greenhouse gas (GHG) emissions and the generation of waste and wastewater throughout our operations. Lilly manages health, safety and the environment (HSE) under a [unified governance structure](#).

## Our 2030 Environmental Goals

### Climate



**Carbon neutral**  
in our own operations

**100%**  
renewable electricity

**Enhance**  
full value-chain  
emissions reporting

### Waste



**Zero**  
waste to landfill from  
routine operations

**100%**  
of plastic waste repurposed for  
beneficial use with at least  
90% recycled or reused

**Integrate sustainability**  
into product and  
packaging design

### Water



**No adverse impact**  
to water-stressed areas

**No adverse impact**  
from pharmaceuticals  
in the environment



# Climate Management Approach

Lilly acknowledges that climate change is negatively impacting human and environmental health. Action against climate change is required to achieve the goals of the Paris Agreement and to avoid the most detrimental effects of climate change by limiting the global temperature rise to 1.5 °C. Lilly is taking action to reduce greenhouse gas emissions within our operations and along our value chain. We have assessed our Scope 3 emissions and progressed in our journey to identify climate-related risks and opportunities in our business.

As a global medicine company, we recognize our responsibility to reduce our carbon footprint and manage climate-related risks and opportunities to support the transition to a low carbon economy. Lilly supports the Paris Climate Agreement, discloses information according to recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and strives to implement these recommendations across the TCFD categories of Governance, Strategy, Risk Management and Metrics & Targets. For more information, see our [TCFD metrics](#).

As Lilly continues to expand its global presence and innovate in the pharmaceutical sector, we recognize the importance of aligning growth with our sustainability goals. Our projected growth trajectory entails careful consideration of its impact on our carbon footprint, resource consumption and waste generation. At Lilly, we are committed to implementing a range of initiatives to advance environmental sustainability across our operations and value chain. This includes initiatives to enhance energy efficiency across our operations and investments in renewable energy sources to reduce



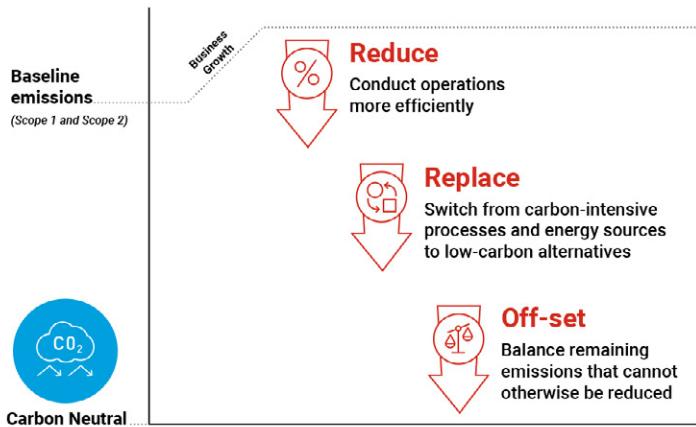
reliance on fossil fuels and decrease greenhouse gas emissions. These efforts are aimed at reducing environmental impacts while fostering sustainable business growth.

## Climate Action Strategy

To mitigate the impact of Lilly's business operations on the environment and achieve our 2030 goals, described below, we are applying a three-pronged approach:

1. **Reducing** our energy and emissions by making our overall operations more efficient
2. **Replacing** carbon-intensive processes and energy sources with low-carbon alternatives
3. **Offsetting** remaining emissions and energy sources that could not be reduced or replaced, by purchasing emissions offsets from high-quality, third-party verified carbon reduction projects (note: it is not currently possible to eliminate all emissions sources or transition all direct energy supplies to renewable sources).

See our [CDP Climate response](#) for more information regarding our governance and approach to climate change and related risks and opportunities.



## IN THIS SECTION

- › Climate Action Strategy
- › 2030 Climate Goals and Progress to Date
- › Recent Achievements
- › Reducing Energy and Emissions
- › Reducing Emissions through Cleaner Energy
- › Scope 3 Emissions and Supply Chain Engagement
- › Off-setting through Carbon Removal Projects
- › Climate Performance Data

# 2030 Climate Goals and Our Progress to Date

Lilly is committed to reducing our greenhouse gas emissions, and prioritizing energy efficiency to become a more climate-resilient organization. We have set climate goals for 2030 as we work toward contributing to a low-carbon economy:

## Secure 100% of our purchased electricity from renewable sources

Through the end of 2023, 28.4% of our purchased electricity – 185,770 MWh – came from renewable sources.

As members of RE100, we are focusing our efforts to bring renewable electricity onto the grid, using a three-pronged approach.

- On-Site Generation:** The first, and most effective effort, is implementing direct renewable electricity through on-site solar installation. We have established on-site solar arrays at our sites in France, Ireland, India, Italy, Spain and Puerto Rico. We aim to expand our use of on-site solar generation where possible at existing sites and implement on-site solar arrays at our new manufacturing sites as we expand our footprint to support business growth.
- Purchased Renewable Electricity:** We are actively purchasing renewable energy from our utility providers across our sites in Germany, India, Ireland, Spain, Switzerland and the UK.
- Renewable Energy Certificates (RECs):** Lilly purchases renewable energy credits as part of our efforts to transition to 100% renewable electricity. We purchase RECs associated with renewable electricity sources in the regions where we operate and in alignment with RE100 technical criteria.

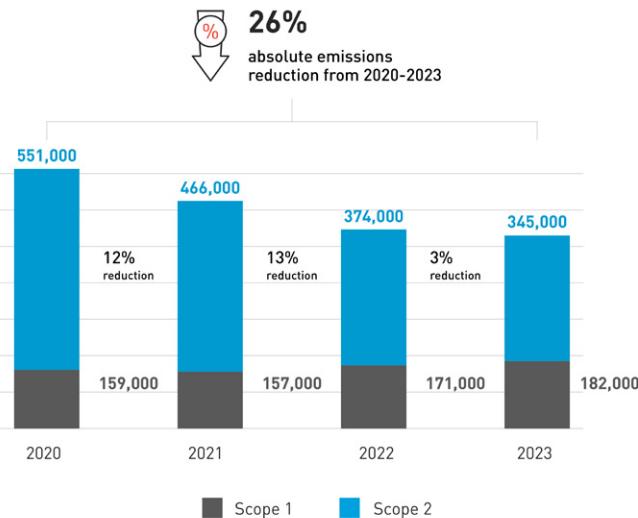
## Become carbon neutral in our own operations (Scope 1 and 2 emissions)

Lilly strives to be carbon neutral in our own operations by 2030, and we are working to reduce greenhouse gas emissions throughout our operations. Our strategy is to first reduce emissions as much as possible internally before we consider offsets to cover the remaining emissions. From 2020 to 2023, we achieved a 26% absolute emissions reduction in our own operations and 3% year-on-year reduction from 2022. This reduction was driven by energy efficiency improvements and increased use of our renewable electricity, which was partially offset by business growth at existing sites and the startup of a new manufacturing facility in North Carolina.

## Enhance tracking and reporting of emissions from our Scope 3 (value-chain)

In 2024, we assessed our Scope 3 (value-chain) emissions for the 2023 calendar year. This complex assessment was completed, verified and reported in August 2024. The emissions associated with our value chain account for approximately 90% of our total GHG emissions, with Category 1 (Purchased Goods and Services), Category 2 (Capital Goods) and Category 4 (Upstream Transportation and Distribution) being the largest contributors. Refer to our [Scope 3 Emissions and Supply Chain Engagement](#) section below for further details.

## Scope 1 and Scope 2 Emissions (Tonnes of CO<sub>2</sub> e)

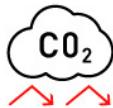


## Recent Achievements

### Performance Highlights

**26%**

reduction in  
emissions from 2020  
to 2023

**3%**

absolute reduction in  
GHG emissions from  
2022 to 2023



**Achieved  
“A-” score**  
for our 2023  
CDP submission

### Memberships and Investments

**Joined  
RE100**  
in 2022



**UN Global  
Compact**  
member since 2009



**Over  
\$50 Million**  
invested into our Energy,  
Waste and Water  
Reduction Fund since 2006

## Reducing Energy and Emissions

In 2023, our energy consumption increased compared to 2022 due to the start-up of a new Lilly manufacturing facility in the Research Triangle Park in North Carolina and increased manufacturing production at other sites. Although our energy consumption increased, we were able to reduce our carbon emissions by transitioning to cleaner and more efficient technologies that help reduce greenhouse gas emissions associated with this energy. We continue to emphasize energy efficiency at our facilities, including:

- Utilizing Leadership in Energy and Environmental Design (LEED) principles as a framework for healthy, efficient and more sustainable buildings in new and updated facilities, facilitating the use of advanced energy monitoring and control solutions, conducting energy assessments, and evaluating and incorporating alternative energy sources.

- Participating in local, regional and national forums to understand and integrate energy management best practices, and to support responsible and cost-effective decision-making and policy development. Examples of participation include the U.S. Environmental Protection Agency's ENERGY STAR Pharmaceutical Focus Group, the Association of Energy Engineers, and the American Society of Heating, Refrigerating, and Air-Conditioning Engineers.

## Recent Energy Initiatives

- **HVAC Systems Optimization** – Sites in Fegersheim, France; Kinsale, Ireland; Puerto Rico; and Indianapolis, Indiana have implemented projects related to energy reduction in HVAC systems. These projects include installation of new generators, installing heat recovery systems and system optimizations. Collectively, we expect that these initiatives will reduce energy consumption at these sites by an estimated 2,000 megawatt-hours per year.

In 2023, our site in Kinsale, Ireland implemented several energy efficiency measures. The site optimized its combined heat and power system usage, started a new 2.5 megawatt solar photovoltaic system, optimized lighting and implemented air change reductions in their laboratory locations. Altogether, these projects are estimated to have reduced the site's energy consumption by approximately 20,700 megawatt-hours per year.

- **Chiller System Optimization** – Chilled water and cooling systems are some of the highest energy consuming systems in pharmaceutical operations, and they continued to be a focus for our engineering resources in 2023. Examples of some of the chiller system optimization projects include installation of higher efficiency chillers at our site in Indianapolis and completion of a substantial efficiency upgrade of the chilled water system at our site in Puerto Rico.

## Encouraging Efficiency Across Our Operations

In 2006, we established the Energy, Waste and Water Reduction Fund to encourage projects that demonstrate the greatest potential for reductions in emissions and energy use but are not funded by site capital budgets. Since then, we have approved over \$53 million in funds supporting more than 200 projects. Since the inception of the program, these projects collectively saved more than one trillion BTUs of energy annually, avoiding approximately 133,000 metric tonnes of greenhouse gas emissions each year, measured as carbon dioxide equivalents.

We also actively recognize innovation and excellence in Health, Safety and the Environment (HSE) management by granting annual HSE awards. Nominations represent a significant accomplishment, and the awards recognize our employees for helping Lilly achieve energy and greenhouse gas emissions reduction goals and other HSE improvements. Projects are also assessed on their potential to scale in other areas across the company.



# Reducing Emissions through Cleaner Energy

We continue to evaluate how to improve our energy resiliency and expand our use of renewable electricity consistent with our goal to diversify our energy sources and decrease our greenhouse gas emissions over time.

## Enhancing the Use of Renewables

In 2023, 28.4% of our purchased electricity was secured from renewable sources. We have reduced greenhouse gas emissions at key facilities by leveraging on-site solar generation. See locations and examples below.

Additionally, at the end of 2023, Lilly signed a renewable power purchase agreement to procure approximately 450,000 megawatt hours per year of renewable electricity from a newly constructed wind farm. We anticipate the new wind farm will be online at the end of 2025. This will provide a significant portion of Lilly's renewable electricity needs as we expand our manufacturing footprint to meet the global demands for our medicines while progressing toward our goal of achieving 100% renewable electricity by 2030.

## Global Solar Installations



Solar array at Lilly's Carolina, Puerto Rico facility.



Parking canopy solar array at Lilly's Fegersheim, France location.



Solar array at Lilly's Kinsale, Ireland location.

## Energy Resiliency

Energy resiliency is about ensuring our facilities have a reliable supply of energy and contingency measures in place in the event of a power failure.

Combined heat and power systems provide energy resilience by supplying electricity and thermal energy to facilities on a continuous basis with the ability to operate independently from the grid. This reduces the risks associated with energy supply disruptions or climate-related events.

At the end of 2022, we brought a new tri-generation (trigen) system on-line at our Sesto, Italy site. This highly efficient system combusts natural gas to generate electricity. Heat from the engine is then utilized to generate thermal energy (steam and hot water) and chilled water. 2023 represented the first full year of service for this new system, which contributed efficiency improvements at the site.

## Fleet Fuel Economy

Our GREENDirections program, which applies to Lilly's sales and marketing affiliates around the world, focuses on fleet fuel economy and greenhouse gas emissions reduction, office energy conservation and waste reduction. Each year, our affiliates look for opportunities to enhance their environmental performance.

We optimize the fuel efficiency and reduce the greenhouse gas emissions generated by our sales force fleet by choosing vehicles with better fuel economy and promoting driving and work practices that emphasize safety and fuel savings. We have introduced hybrid or electric fleet vehicles in several geographies where infrastructure is available. For example, Lilly's fleet in Japan consists of approximately 80% hybrid vehicles, our UK fleet consists of approximately 50% hybrid vehicles and several of our European affiliates have begun including electric vehicles in their fleet offering. By centrally managing vehicle selection across the EU, Japan and the U.S., we improve efficiency and promote the implementation of strong safety and environmental standards.

## Scope 3 Emissions and Supply Chain Engagement

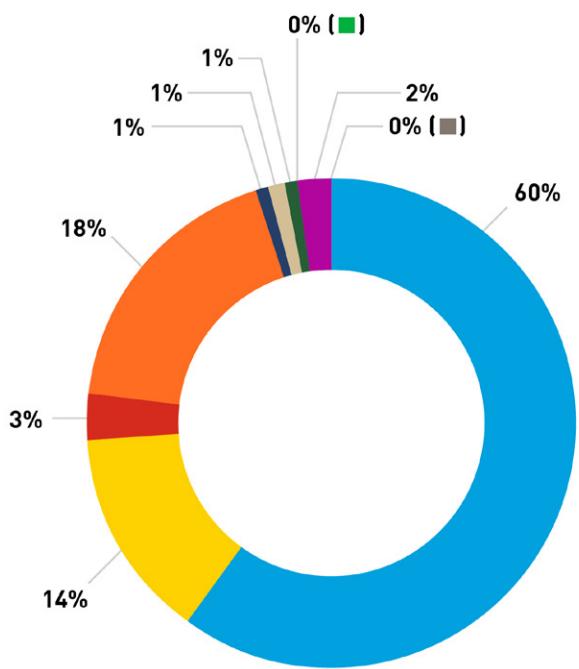
The Greenhouse Gas Protocol Corporate Standard classifies Scope 3 emissions as indirect greenhouse gas emissions (not included in Scope 2) that occur in an organization's value chain. There are 15 categories in Scope 3 divided into upstream emissions (activities related to manufacturing of our products) and downstream emissions (activities related to distribution and use of our products). The emissions associated with our value chain account for approximately 90% of our total GHG emissions, with Category 1 (Purchased Goods and Services), Category 2 (Capital Goods) and Category 4 (Upstream Transportation and Distribution) being the largest contributors.

In 2023, Lilly's total Scope 3 emissions were 5,139,500 metric tonnes CO<sub>2</sub>e. Our increase in Scope 3 emissions versus the prior year is primarily attributed to the increased spend on purchased goods and services driven by the company's accelerated growth during this period. Additionally, other contributing factors include external updates to the [US Environmentally-Extended Input-Output \(USEEIO\) codes](#) and the associated emission factors, and other evolutionary methodology changes that further influenced the overall increase in our calculated Scope 3 emissions. In an evolving Scope 3 data capture and calculation environment, we expect to consider best practices each year to provide best estimates where possible.

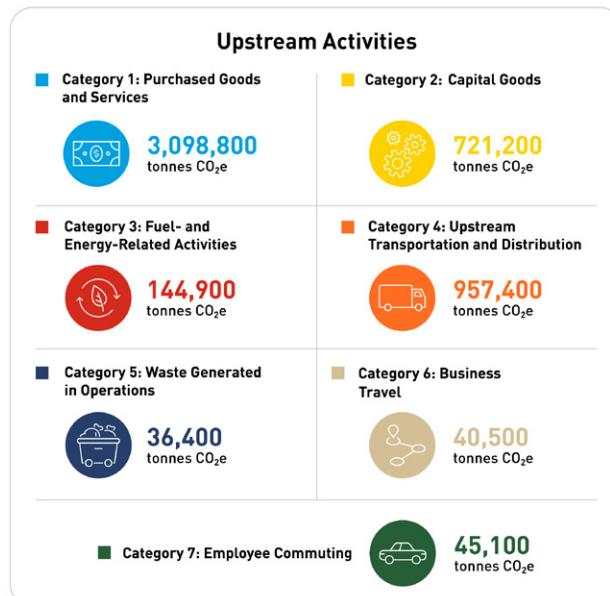
We are working to advance transparency across our value chain, including in our Scope 3 emissions. We have begun to engage with key suppliers and identify areas of our value chain where we could potentially drive emissions reductions. We intend to use the data gathered through our supplier engagement efforts to inform our evolving supply chain strategy related to climate change.

Our aim is to find ways to collaborate across our industry peers and supply chain sectors to advance our understanding of our entire value chain, their activities and impact on our Scope 3 emissions. We are also investigating opportunities to engage with suppliers to better track and analyze our supply chain emissions. Please refer to the 2023 Scope 3 Emissions Breakdown graphic for more details.

## 2023 Scope 3 Emissions Breakdown



Total Scope 3 emissions  
(metric tonnes CO<sub>2</sub>e) =  
**5,139,500**



- CO<sub>2</sub> Dashboard** – To support more informed decisions about climate impact, we created a CO<sub>2</sub> dashboard to track the relative carbon footprint of different transportation options. The dashboard enables our logistics team to compare the CO<sub>2</sub> emissions for shipping routes and transportation modes from logistics partners.

## Off-setting through Carbon Removal Projects

While our primary strategy is to directly reduce emissions and replace carbon-intensive sources with clean energy sources where possible, to achieve carbon neutrality we recognize the remaining emissions will need to be offset by purchasing certificates from climate protection projects with recognized quality standards. In 2023, we did not purchase any carbon offsets. The decision to purchase offsets will be made based on the remaining emissions that cannot be eliminated.

We employ green logistics strategies and programs to better track and reduce emissions, including:

- Air-to-Ocean Project** – Launched in 2015, the Air-to-Ocean project aims to shift global transportation from air to sea freight, where practical, which has a substantially lower carbon footprint.

## Climate Performance Data

Greenhouse Gas Emissions (Market-Based)(1)	2020	2021	2022	2023
Greenhouse Gas Emissions (Scope 1 and Scope 2) (metric tonnes CO <sub>2</sub> e) <sup>2</sup>	710,000	623,000	545,000	527,000
Scope 1	159,000	157,000	171,000	182,000
Scope 2 <sup>3</sup>	551,000	466,000	374,000	345,000

Value-chain Greenhouse Gas Emissions	2020	2021	2022	2023
Scope 3 Emissions (metric tonnes CO <sub>2</sub> e) <sup>4</sup>	176,000 (limited data scope - see footnote 4)	2,987,000	3,179,000	5,139,500

Energy	2020	2021	2022	2023
Total Energy Consumption (million BTUs)	6,200,000	6,100,000	6,130,000	7,240,000
Direct Energy Consumption (million BTUs) <sup>5</sup>	1,700,000	1,600,000	1,950,000	2,910,000
Indirect Energy Consumption (million BTUs) <sup>5</sup>	4,500,000	4,500,000	4,180,000	4,330,000
Renewable Electricity	7%	9.6%	14.4%	28.4%

## Climate Performance Data Cont'd

Climate Goals	2030 Goal	2023 Performance
100% Renewable Electricity	100%	28.4%
Carbon Neutral (Market-Based Scope 1 and Scope 2)	Carbon Neutral	527,000 tonnes CO <sub>2</sub> e
Enhance Tracking and Reporting of Full Value-Chain Emissions (Scope 3)	N/A	On Track

### Footnotes

Note: Data may be revised compared to prior reports due to changes in calculation methodology and other factors. Some segments do not add up to totals due to rounding.

Note: Bureau Veritas was engaged by Eli Lilly and Company to provide [limited assurance](#) over the specified 2023 environmental performance data presented in alignment with Lilly's [basis of reporting for key environmental sustainability indicators](#).

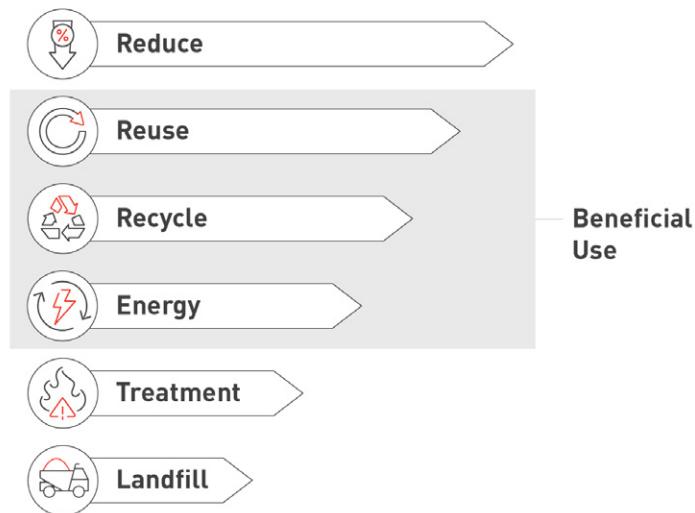
1. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A **market-based** method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. See [GHP Protocol Scope 2 Guidance](#). In 2020, Lilly did not differentiate between market-based and location-based emissions calculations.
2. Includes Scope 1 emissions and energy from onsite fuel combustion, refrigerants, process emissions and mobile combustion sources; and Scope 2 emissions and energy from site-purchased energy (i.e., electricity, steam and chilled water). For smaller locations not billed directly to Lilly, data are estimated based on square footage.
3. For Scope 2, production mix emission factors from carbonfootprint.com are used to calculate emissions for all electricity usage outside the US except for Canada, UK, and Australia. The production mix emission factors account for both scope 2 and scope 3 FERA emissions, which is aligned with what was used in the 2022 inventory.
4. All 15 categories within the Scope 3 emissions have been assessed, verified and reported.
5. Data includes energy from combustion of coal, fuel oil, natural gas and liquid propane. 2023 onwards, this data also includes energy used by aircraft, sales fleet and on-site generated renewable electricity.

# Waste Management Approach

At Lilly, we are committed to minimizing waste to conserve energy, resources and landfill space. We understand that the most effective way to reduce waste is to not create it in the first place. We are committed to [green chemistry](#) and efficiency, and endeavor to reduce waste at the source, including minimizing the use of hazardous materials that can often become hazardous waste at the end of the manufacturing process. We explore ways to reuse materials from our processes and send waste for recycling when feasible. For the remaining waste, we recover energy when possible and treat waste to reduce toxicity and volume. We strive to only send waste to landfills as a last resort or when legally required. We also recognize plastic waste is one of our world's most pressing issues and are taking steps to reduce our footprint.

## Waste Strategy

Our waste strategy follows a hierarchy that prioritizes eliminating waste (reduce), followed by reuse, recycling and consuming our waste for energy as illustrated by the graphic.



## 2030 Waste Goals and Our Progress to Date

In 2021, we established new waste goals to reduce landfill waste, address plastic waste from our operations and support integration of sustainability into the designs of our products.

### Zero waste to landfill from routine operations

In 2023, 16 out of Lilly's 29 facilities achieved the zero-landfill target, resulting in 2% of our waste from routine operations being sent to landfill. While the number of our facilities reaching the zero-landfill target increased, there was a small overall increase from 2022 in the aggregate percentage of routine operations waste being sent to landfill, which was driven by an operational matter with one of our internal waste management processes and onboarding a new manufacturing site. We do not anticipate that these drivers will impede our long-term goal.

### 100% of plastic waste repurposed for beneficial use, with at least 90% recycled or reused

In 2023, we were able to repurpose 97.1% of plastic waste for beneficial use (reuse/recycle/waste-to-energy), primarily driven by recycling of plastics from our manufacturing processes and incoming packaging material. Of this plastic waste, 88.4% was recycled or reused, bringing us close to our 90% goal.



## Recent Achievements

### Integrating sustainability-focused design principles into product and packaging design processes

- We continue to build on efforts to incorporate sustainability into the lifecycle of our products, delivery devices and packaging with waste reduction in mind. We strive to develop products that are inclusive, trustworthy and sustainable. Learn more about our approach to [integrating sustainability into our product and packaging designs](#).

#### Performance Highlights



## Managing Waste Across Our Operations

In 2023, Lilly generated 118,000 metric tonnes of waste, representing a 9% reduction in total waste versus 2020. This reduction was achieved while increasing manufacturing production rates across the same period. Most of the waste (84%) generated by Lilly is considered non-hazardous by relevant regulatory authorities. The remaining 16% of waste we generate that is considered hazardous is carefully stored and packaged, and shipped to approved treatment facilities, some of which recover energy from the waste. We strive to only send hazardous waste to landfills when there is no other option or when required by law.

## Plastic Waste Reduction Efforts

We are focused on minimizing our plastic waste footprint. To do this, we reduce the generation of plastic waste where possible, identify where recycled plastic materials are suitable for use in our processes and maximize the reuse and recycling of plastic waste. When reduction, reuse and recycling are not viable, we send plastic waste to a facility that converts waste into energy.

In 2021, Lilly began developing processes for measuring and reporting plastic waste. We use both quantitative and qualitative measurement systems. These systems allow us to estimate our current progress relative to our plastic waste goals, and we strive to improve these measurement systems over time.

As noted, we were able to repurpose 97.1% of our plastic waste for beneficial use (reuse/recycle/waste-to-energy) in 2023, primarily driven by recycling of plastics from our manufacturing processes and incoming packaging material. Of our total plastic waste, approximately 88.4% was recycled or reused. While these numbers are close to our established plastic waste goals, we anticipate that it will take significant efforts – such as new technologies and innovative external capacity – to achieve 100% beneficial use and at least 90% reused or recycled.

## Plastic Reuse and Recycling at Indianapolis Manufacturing Facility

As part of our commitment to continually improve our environmental impact, we optimize plastic use at our manufacturing facility in Indianapolis through a reuse and recycling program. As part of this program, approximately 3,300 metric tonnes of packaging from incoming materials are sent to our recycling partner annually. The diverted plastics are used as feedstocks for other products such as composite decking, furniture and carpet padding.

## Reducing Waste from Our Cafeterias

At our headquarters in Indianapolis, Indiana we have eliminated nearly all polystyrene foam materials from our cafeterias and transitioned to biobased to-go containers and other more environmentally friendly materials.

In 2023, we transitioned the majority of our plastic bottled drinks to aluminum cans within our Indianapolis campuses, which yielded multifaceted benefits. This initiative reduced our plastic consumption, evidenced by a decrease of 107,000 plastic bottles annually. Additionally, the shift to aluminum, which boasts higher recycling rates than plastic, aligns with our environmental sustainability goals.

In our Indianapolis facilities over the last five years, we have collected and recycled beverage bottles, cans and food-related cardboard shipping containers resulting in over 1,000 tons of mixed recyclables over the last five years. We have also collected and composted more than 26 tons of kitchen prep food waste, which was used to augment fertilizer needs for a commercial farm.

At our facilities in Europe, our food service providers have focused on elimination of single-use plastics for items such as cutlery, plates, drink accessories (stirrers and straws) and take-away bags.

# Integrating Sustainability into Our Product and Packaging Design Processes

To support our 2030 waste goals, we continue to build on efforts to incorporate sustainability into the lifecycle of our products, delivery devices and packaging, with waste reduction in mind. Our goal is to integrate sustainability-focused design principles into future product and packaging design processes, while identifying and evaluating opportunities to enhance our current portfolio including labeling in some markets that will better inform the patient on disposal. We aspire to develop products that are inclusive, trustworthy and sustainable.

We aim to make our products more sustainable without sacrificing safety, user experience or patient outcomes. We strive to position our products at the top of our “reduce, reuse, recycle” waste hierarchy, and design for recyclability while also reducing medical waste and electronic waste. We are investing in research and identify renewable/bio-based materials to make our future packaging and devices more sustainable and we are exploring collaborations and partnerships with our key materials suppliers to evaluate the feasibility for improving the sustainability of existing devices.

Lilly has developed a Design for Sustainability Guidebook to support the design of our next generation of delivery devices to meet Lilly's environmental goals. The guidebook is used internally to provide insights into sustainability approaches in device and secondary packaging design, materials, and recycling. It aims to increase knowledge in this space and explore best practices when designing our devices and packaging in a regulated environment.



## Inclusive



We strive to design intuitive experiences that are inclusive of the unique capabilities and changing conditions of people around the world and that meet their diverse abilities and needs.

## Trustworthy



We demonstrate care and compassion for people and aim to create devices and packaging that are consistent, reliable and easy to learn and use across all touchpoints.

## Sustainable

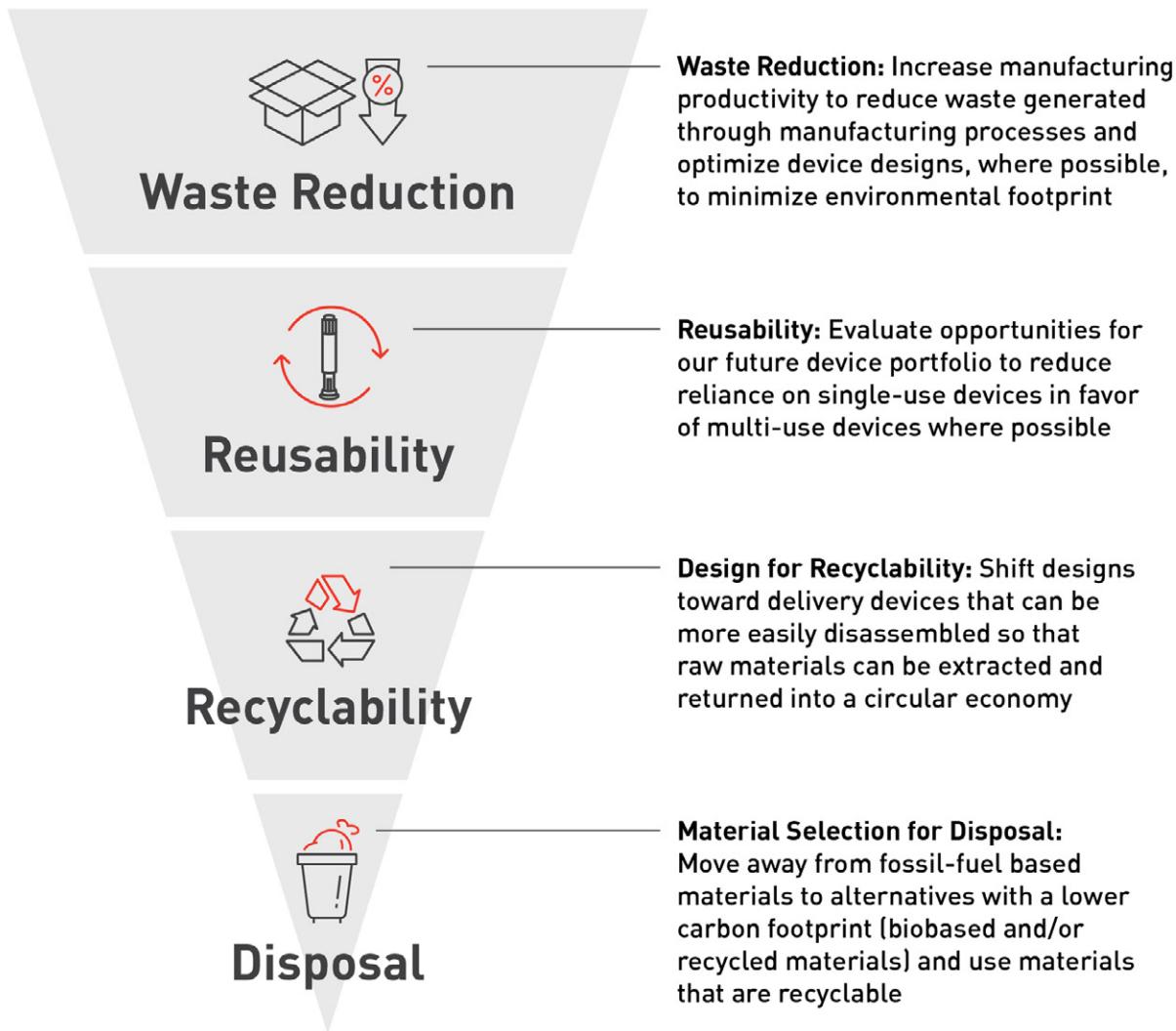


We strive to design our therapies, devices, packaging and experiences for longevity and minimal environmental impact.

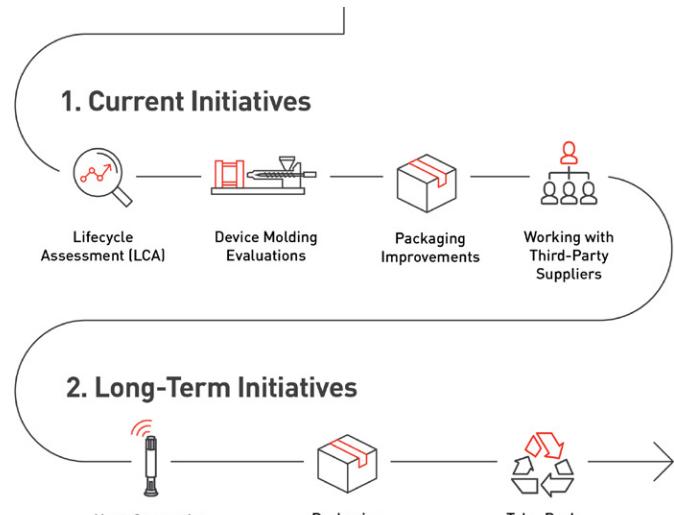
## Drug Delivery Devices

For Lilly's existing drug delivery devices, we focus on the selection of materials and waste reduction and recyclability strategies to improve sustainability. We strive to incorporate additional sustainable design elements into future platforms.

## Sustainable Design Strategy



# Sustainability Roadmap



## Current Initiatives

- Lifecycle Assessment (LCA)** – We have advanced our understanding of the carbon footprint for multiple devices, including both existing devices and devices in development, by conducting detailed lifecycle analyses of these devices. The lifecycle analyses were conducted in accordance with ISO 14040, which is a recognized international standard for assessment of the environmental aspects of a product or service in its entire lifecycle. The lifecycle analyses help identify key opportunities for reducing our carbon footprint using alternative materials, secondary packaging, transportation and manufacturing. We will continue to evaluate these opportunities, without impacting the supply of medicines to our patients. In addition, we have developed in-house LCA expertise to drive analysis of our next generation devices during the innovation stages. The effort is aimed at integrating sustainable principles into the next generation devices right from the start.
- Device Molding Evaluations (Proof of Concept)** – We started evaluating and identifying renewable materials that could be used as alternatives to existing plastic materials used in our devices. In 2023, we completed the proof-of-concept (PoC) trials to make plastic components using renewable materials. Additionally, we continue to investigate energy efficient ways of molding the plastics used in our devices with the goal of reducing energy consumption.

- Packaging Improvements** – We strive to optimize the size of our product packaging. We have also developed alternatives for packaging used throughout our manufacturing processes, from in-process to final packaging, which allows for reuse or recycling and improves efficiency as we transport products globally. In addition, we are working to better inform our patients about recyclability or appropriate disposal of our products' packaging materials.
- Working with Third-Party Suppliers** – We continue to engage with our key suppliers of device and packaging components to better evaluate alternate low-carbon material and recycling options to reduce waste.

## Long-Term Initiatives

- Next-Generation Delivery Devices** – For our next generation of devices, we strive to apply learnings from our lifecycle analysis studies to better design and develop future devices with lower environmental impact. Our recently developed Design for Sustainability Guidebook aims to help our internal device teams improve designs and develop more environmentally friendly devices. We are continuing to advance our efforts in this area and aspire to develop durable, reusable devices that help minimize reduce medical and electronic waste.
- Packaging Optimization** – We are working to reduce packaging and transition to eco-friendly materials where possible. Additionally, the pharmaceutical industry has begun to evaluate the potential to move, as the default, to electronic patient information leaflets instead of printed materials. We recognize there are many aspects to consider, such as regulatory requirements, patient preference and access to technology. However, we are committed to working with stakeholders to assess and understand opportunities to reduce waste through technology advancements and digitization.
- Take-Back and Recycling** – We are exploring new ways to address end-of-lifecycle product waste. We have initiated pilot programs for device take-back and recycling processes, however, these solutions are not yet available in all geographies or at large scale. Learn more about our [Product Stewardship](#) efforts.

## Packaging

We consider many sustainability factors in selecting product packaging, including material use and recyclability. Pharmaceutical packaging must meet stringent regulatory and internal standards. In some cases, this prevents us from using recycled content, as is the case with container closure systems that come into direct contact with our products. However, we have started working with suppliers on the implementation of recycled content materials in our paper-based secondary packaging. We continually seek to improve packaging design to reduce the amount of packaging used, use lower-impact materials and promote recyclability.

- Pulp-based Clinical Trial Packaging Change –** Our efforts to improve the environmental impact of our packaging goes beyond our commercial products and extends to potential future products currently undergoing clinical trials. Our clinical trial organization has begun to implement pulp-based solutions for device packaging. We are one of the very early adopters to use this pulp packaging option that, like plastics, can be injection molded into a variety of shapes. Use of this eco-friendly packaging option has resulted in a 15% reduction in the size of drug delivery device packaging cartons compared to the original packaging design. This reduction in size also translates to shipping and transportation savings.
- Tempo Smart Button Packaging, US Refill Kit**  
**Design** – The refill kit is a packaging case comprised of various components the patient needs for use of the Tempo system. During packaging development, the design optimization process led to a reduction in the overall size of the packaging (i.e., length and width), which resulted in less waste generation and approximately 25% less warehouse storage space utilization.

## Asset Recovery

For the past two decades, Lilly has operated an asset recovery department dedicated to managing surplus equipment. The department promotes value and social and environmental responsibility through redeploying, selling, donating and recycling assets from across the company's U.S operations.

Over the past five years, the team has:

- successfully redeployed an average of \$6.25 million worth of equipment within the company annually

- donated more than \$1 million worth of surplus company supplies each year to schools and nonprofit organizations.

In 2023, the team facilitated the recycling of approximately 1.8 million pounds of scrap metal, 6.6 million pounds of glass and plastic, 1.69 million pounds of cardboard and 250 refrigeration units.

These efforts effectively diverted the waste from landfills, aligning with our commitment to sustainability.

## Sales and Marketing

Lilly continues to leverage technology to evolve our business and reduce our environmental footprint, including transitioning to digital media for promotional materials. We have also improved our inventory management, such as reducing the number of low-use printed materials and better controlling print quantities, which ultimately reduces paper waste.

Visit our [Product Stewardship](#) page to learn more about our approach to sustainability throughout product life-cycles.

## Waste Performance Data

<b>Total Waste Generation (1)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total Waste Generation (metric tonnes)	130,000	118,000	123,000	118,000
Non-Hazardous Waste (metric tonnes)	110,000	98,000	101,000	99,000
Hazardous Waste Generation (metric tonnes)	20,000	20,000	22,000	19,000

<b>Total Waste Disposition (1)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Beneficial Use (includes recycled, reused and waste-to-energy)	120,000	108,000	111,000	105,000
Treated (includes combustion without energy recovery) (metric tonnes)	7,300	7,100	8,000	9,200
Landfilled (metric tonnes)	2,700	2,300	4,000	3,500

<b>Waste Metrics for Goals (1)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Waste Generated from Routine Operations (metric tonnes)	Not previously reported	107,000	110,600	102,000
Waste to Landfill from Routine Operations (metric tonnes)	Not previously reported	600	1,900	2,000
Plastic Waste from Routine Operations (metric tonnes)	Not previously reported	8,600	12,000	12,400
Plastic Waste Repurposed for Beneficial Use (includes recycled, reused and waste-to-energy) (metric tonnes)	Not previously reported	8,400	11,800	12,100
Plastic Waste Recycled or Reused (metric tonnes)	Not previously reported	7,600	10,800	11,000

## Waste Performance Data (cont'd)

Waste Goal Performance (2)	2030 Goal	2022 Performance	2023 Performance
Percent of Waste from Routine Operations Sent to Landfill <sup>3</sup>	Zero (Less than 0.5%)	1.7%	2.0%
Percent of Routine Plastic Waste Repurposed for	100%	98.0%	97.1%
Percent of Routine Plastic Waste Recycled	Greater than or equal to 90%	89.6%	88.4%
Integrate Sustainability-Focused Design Principles into Our Products and Packaging	N/A	On Track	On Track

### Footnotes

Note: Some segments do not add up to totals due to rounding.

Note: Bureau Veritas was engaged by Eli Lilly and Company to provide [limited assurance](#) over the specified 2023 environmental performance data presented in alignment with Lilly's [basis of reporting for key environmental sustainability indicators](#).

1. Total waste includes all waste generated from Lilly facilities, routine waste and non-routine waste. Non-routine waste is defined in footnote 2.
2. Waste goals exclude waste from the following categories: non-routine construction and demolition debris (e.g., building construction or demolition); uncontaminated soil, rock, concrete, bricks, etc., used for clean fill; waste generated as a result of remediation of surface or underground areas (e.g., soil, rock, water and personal protective equipment); vegetation (e.g., landscaping debris), wastewater that is conveyed offsite through piping (i.e., not shipped offsite in container or tanker) for treatment or discharge; and biosolids or other residue from wastewater or stormwater collection and treatment.
3. For the purpose of our landfill goal, "zero landfill" is defined as elimination, reuse, incineration, reclamation or recycling to the point that routine waste as generated will no longer be placed in a landfill. A site may achieve "zero landfill" status if less than 0.5% of its generated routine waste is sent directly to landfill. Lilly will meet "zero landfill" status if less than 0.5% of Lilly's routine waste as generated is sent directly to landfill.

# Water Management Approach

Water is essential to our operations and the facilities where we discover and manufacture our medicines, and we're committed to using this critical resource efficiently. We aim to manage water more sustainably by reducing our water footprint and avoiding potential risks related to pharmaceuticals in the environment (PiE).

We continuously assess our water risks, and while we generally operate in locations where the risk of water scarcity and poor quality are low, we continue to focus on conserving and reducing water use and improving the quality of the water we discharge from our facilities. We work with our sites around the world to identify water-saving opportunities and wastewater treatment technologies to support our environmental goals. We continue to report on our water programs through CDP, including through our latest [2023 CDP Water Security response](#).

## IN THIS SECTION

- › 2030 Water Goals and Our Progress to Date
- › Recent Achievements
- › Water Use
- › Pharmaceuticals in the Environment (PiE)
- › Water Performance Data

## 2030 Water Goals and Our Progress to Date

In 2021, we set new water-related goals for 2030 that include establishing and implementing water management plans for all Lilly sites in water-stressed areas, as well as ensuring our internal and external manufacturing operations do not adversely impact the waterways as a result of discharges of pharmaceuticals.

### **Establishing and implementing water management plans for Lilly sites in water-stressed areas**

In 2022, 100% of our manufacturing sites in water-stressed areas developed water stress management plans. Each water stress management plan includes localized targets and initiatives with specific delivery dates related to reducing water stress where these sites operate.

In 2023, Lilly sites in water-stressed areas implemented next steps in these plans, which included efforts to improve water efficiency and reduce total phosphorus discharged in wastewater.

### **Ensuring 100% of Lilly sites meet predicted no-effect concentrations (PNEC) for Pharmaceuticals in the Environment**

In 2023, 100% of Lilly manufacturing sites met pharmaceutical PNEC values established by the Lilly Aquatic Exposure Guideline (LAEG) program. Furthermore, all our manufacturing sites achieved wastewater discharges less than 10% of PNEC-based limits established for pharmaceuticals.



## Recent Achievements

### Performance Highlights



#### 100% of Water Management Plans

have been established and implementation is underway.



#### 100% of Lilly Sites

met predicted no-effect concentrations (PNEC) for pharmaceuticals in the environment (PiE).



#### 100% of Lilly's Contract Manufacturers

have been assessed and found to have appropriate controls to meet established PNEC-based limits.

## Managing Water-Stressed Geographies

Each of our manufacturing sites that operate in water-stressed areas started conducting water stress assessments in 2021. In 2022, each of these sites developed water stress management plans and have begun implementation. For example, in 2023 our site in Suzhou, China improved water efficiency by 33% versus 2022, meaning less water is now used per unit of production. In addition, the site reduced phosphorus discharge in wastewater (grams of phosphorus per cartridge produced) by 52% versus 2022 through implementation of water treatment plant improvements.

Seven other projects identified in the water stress management plans have been started and are in various stages of being implemented.

### Plans Developed using Alliance for Water Stewardship Standards

The water stress management plans were developed based on guidance in the Alliance for Water Stewardship International Water Stewardship Standard V2.0 (AWS Standard). The AWS Standard has five outcomes that represent fundamental aspects of water. The intent of these outcomes is to act as fundamental “pillars” of water stewardship – or themes that are reflected in all water stewardship efforts.

1. How humans are responsible and accountable for water (governance)
2. Quantities and timing of water (water balance)
3. Properties of the water (water quality)
4. Spatial aspects of areas that may or may not contain water at a given time, but that are critical to maintaining the human-derived benefits of water including the ecosystem services from Important Water-Related Areas (IWRAs)
5. Provision of safe water, sanitation and hygiene for all.

## Water Use

Manufacturing operations account for most of our water use. The production of injectable medicines requires exceptionally high-quality water, and our sites rely on utility operations to produce purified water and water for cooling systems and steam boilers. To reduce our water consumption, we use reclaimed water when possible, and have optimized our cooling systems to reduce water usage. In 2023, our facilities recycled or reused 283 billion liters of water, representing 97.5% of our total water demand.

In 2023, 7.4% of our total water intake occurred at sites in geographies that are defined as “water stressed.” Potential future regional water risk, unpredictable costs and climate change concerns have further strengthened our commitment to using water more efficiently and improving water quality based on local needs. Hence, we have established water management plans for Lilly sites located in water-stressed geographies.

# Pharmaceuticals in the Environment (PiE)

Pharmaceuticals, the active ingredients of medicines, have been found in surface waters, groundwater, sediment, and soil. Reported concentrations of pharmaceuticals detected in the environment are usually extremely low. Pharmaceuticals may enter the environment through effluents from pharmaceutical manufacturing or through excretion by patients after therapeutic use of a medicine. They may also enter the environment through improper disposal of unused medicines.

There are various public and stakeholder concerns regarding pharmaceuticals in the environment (PiE). The detection and biological potency of pharmaceuticals raise questions about potential risks to the environment. Additionally, there are concerns about the impact of the pharmaceutical supply chain on human health, especially in countries that may lack rigorous environmental protection standards. The World Health Organization, the U.S. Environmental Protection Agency and the U.S. Geological Survey have all concluded that the presence of pharmaceuticals in [drinking water](#) is [unlikely to have a direct impact on human health](#). Recent publications by Gunnarsson et al. (2019) and Wilkinson et al. (2022) conclude that for most pharmaceuticals, presence in surface water presents a low risk to environmental species, whether based on predicted or measured environmental concentrations.

We believe the discharge of pharmaceuticals into the environment should be minimized. We strive to ensure our internal and external manufacturing operations do not adversely impact waterways due to discharges of pharmaceuticals.

## PiE Governance

Due to the importance of the topic of pharmaceuticals in the environment (PiE) to Lilly and our stakeholders, Lilly has a PiE Governance Committee that sets strategic direction related to PiE and provides long-term oversight of Lilly's Aquatic Exposure Guideline (LAEG) program that controls the discharges of pharmaceutical from manufacturing sites. The PiE Governance Committee reports directly to our Global HSE Committee. Read more about our [HSE governance](#).

## PiE Risk Assessment

We assess the pharmaceuticals in our medicines for potential environmental impacts before introducing a medicine to market. To do this we use environmental risk assessment procedures that are aligned with several global regulatory agencies.

We assess the environmental risk posed by patient use of our medicines as part of the approval process for new medicines in the U.S. and Europe.

We also assess the environmental risk posed by manufacturing of our medicines as part of our internal Lilly Aquatic Exposure Guideline (LAEG) program. The results drive appropriate treatment and containment strategies at our manufacturing sites to protect aquatic species in downstream surface waters and the communities and wildlife using these waters. The LAEG program has been in place for more than three decades at Lilly facilities, and we are now fully implementing LAEG assessments at contract manufacturers across our supply chain. Lilly has committed to compliance with LAEG requirements at our manufacturing facilities and to ensure controls are in place at our contract manufacturers to prevent harmful discharge of our active pharmaceutical ingredients.

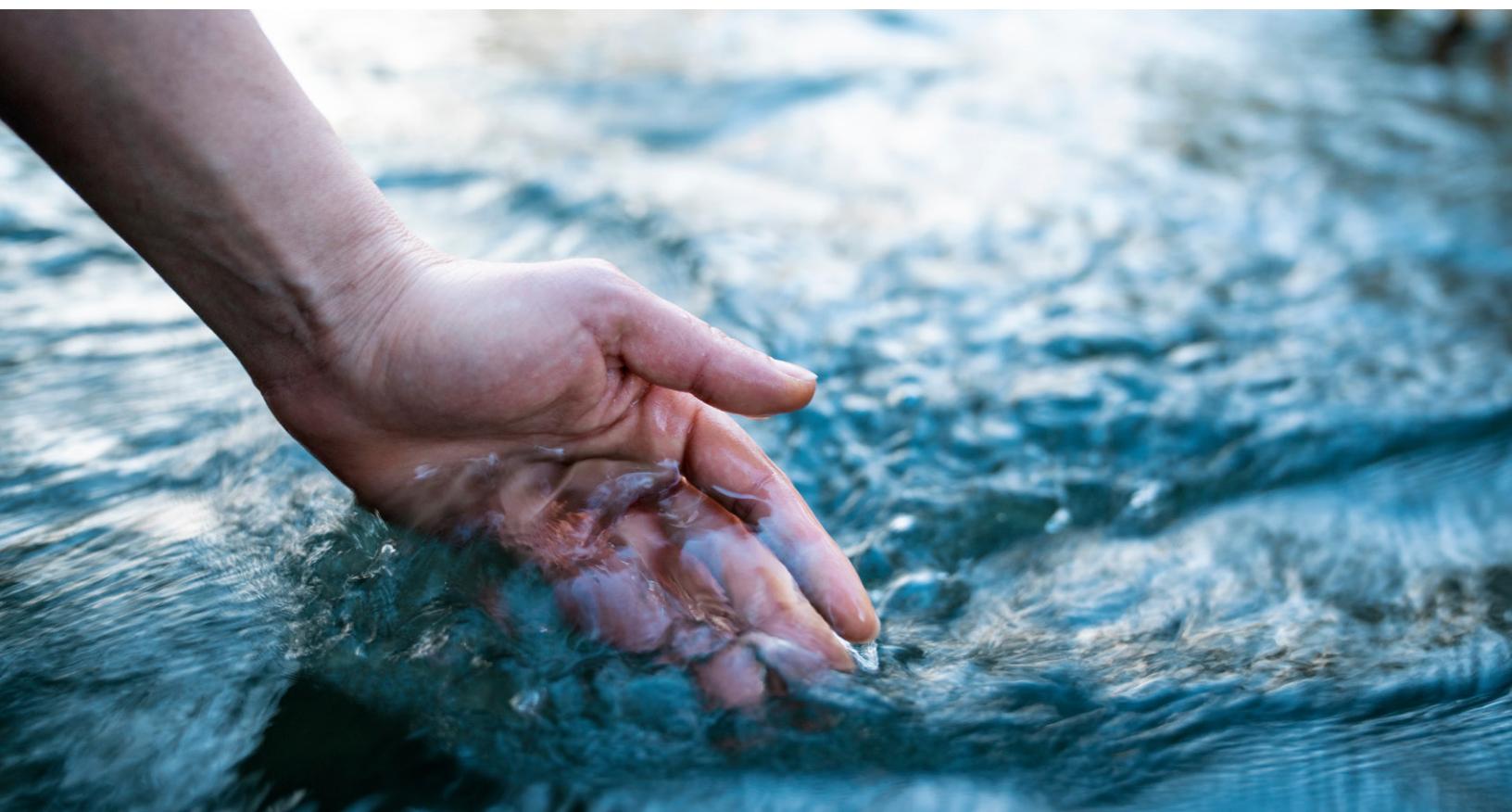
## Collaborations and Partnerships for Understanding and Mitigating PiE

We continue to partner with industry, academia and governments to improve both our understanding of and response to PiE. Lilly scientists and technical experts have been engaged in the following efforts:

- **Collaborating on Novel PiE Assessment** – We are currently engaged in a second Innovative Medicines Initiative consortium project, the [Prioritization and Risk Evaluation of Medicines in the EnviRonment \(PREMIER\)](#). This six-year project aims to deliver a novel assessment system for characterizing the environmental risks of pharmaceuticals while addressing several of the actions stated in the EU's published Strategic Approach to PiE. As part of this project, we are collecting environmental data on prioritized legacy pharmaceuticals and contributing to the evaluation of the relationship of external and internal concentrations of pharmaceuticals in fish.

- **Assessing the potential for designing environmentally biodegradable pharmaceuticals –** We participate in the American Chemistry Society's Green Chemistry Institute Pharmaceutical Roundtable, a consortium of companies that is considering the environmental biodegradation potential of pharmaceuticals.
- **Advancing the Science of PiE –** We continue to support efforts to advance PiE-related research by authoring papers, serving as reviewers for journals, presenting at conferences and workshops, and participating in meetings concerning the safety of pharmaceutical residues in water.
- **Partnering on Take-Back Programs –** In collaboration with regulators and other pharmaceutical companies, we are key partners in take-back programs for unused medicines such as MedsDisposal in Europe and Med-Project in the U.S.

- **Engaging in Industry Initiatives –** We participate in several industry PiE initiatives, such as Eco-Pharmaco-Stewardship, a multi-faceted program developed with several pharmaceutical trade organizations (EFPIA, AEGSP, MFE).
- **Developing PiE Tools and Resources –** We are also actively engaged in creating tools and resources to share with industry peers, including in-person and online training on risk-based approaches to managing effluents, a user-friendly tool to calculate discharge limits for pharmaceuticals, an industry guidance document on controlling pharmaceutical discharge and audit protocols to evaluate PiE supply chain risks.



## Water Performance Data

Water Use	2020	2021	2022	2023
Water Intake (billion liters) <sup>1</sup>	6.10	5.92	6.52	7.35
Water Recycle Rate (%) <sup>2</sup>	98.4%	98.0%	97.7%	97.5%
Percent of Water use in Water-Stressed Areas	8.1%	8.9%	7.7%	7.4%

\*2022 data revised to reflect most current information.

Water Goals	Target	2023 Performance
Establish and implement water management plans for sites in water-stress geographies	Develop and implement water management plans for sites in water-stressed geographies	100% of plans were developed on time, and the implementation phase has started
Ensure 100% of Lilly sites meet predicted no-effect concentrations (PNEC) for pharmaceuticals in the environment	100%	100%
Ensure appropriate controls are in place with Lilly contract manufacturers to prevent discharge of pharmaceuticals in wastewater above applicable predicted no-effect concentrations (PNEC)	100%	100%
Percent of assessed external partners meeting PNEC limits	100%	100%

### Footnotes

Note: Bureau Veritas was engaged by Eli Lilly and Company to provide [limited assurance](#) over the specified 2023 environmental performance data presented in alignment with Lilly's [basis of reporting for key environmental sustainability indicators](#).

1. "Water intake" is the total amount of water coming into a site, including water pumped from bodies of surface water and groundwater, as well as water provided by a utility. It includes water used in processes, utilities and other ancillary operations, such as irrigation. The term does not include groundwater pumped solely for treatment to satisfy regulatory actions or requirements (e.g., remediation activities where the water is not used for another purpose). Values do not include the water extracted from wells solely for the purpose of lowering the groundwater table(s) to maintain the physical and structural integrity of building foundations. Totals include a small amount of rainwater intake not included in other water intake subcategories. Lilly does not generally collect water data from small locations that house primarily administrative activities such as sales and marketing offices unless they are co-located at a Lilly manufacturing or research facility.

2. "Water recycle rate" is calculated as the total annual volume of water recycled/reused divided by the sum of total annual water intake plus the total annual volume of water recycled/reused.

# Product Stewardship



## Management Approach

Each stage of the pharmaceutical product life cycle includes distinct environmental considerations and opportunities. We take a broad approach to understanding and managing potential environmental issues across our value chain, from development of new medicines to product end-of-life and disposal considerations. As the phase of research and development significantly influences the environmental footprint of pharmaceutical manufacturing, we integrate sustainability-focused design principles – such as green chemistry and end-product engineering – early in product development. These design principles help identify and reduce health, safety and environmental impacts from production processes when possible. As our product portfolio evolves and grows, we continue to search for new and better ways to reduce our environmental footprint across the life cycle of our products.

## Managing Environmental Performance Across the Product Life Cycle

Our circularity-based strategy includes integrating sustainability across the value-chain toward the ultimate goal of fostering a positive impact on patients and the planet.



## IN THIS SECTION

- › Managing Environmental Performance Across the Product Lifecycle
- › Green Chemistry
- › Global Chemical Management
- › Green Logistics

**Patient Use**

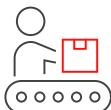
The work we do starts with the patient in mind. We are committed to making a positive impact on people, society and the planet. We aspire to develop products that are inclusive, trustworthy and sustainable to achieve the highest level of safety, user experience and patient outcomes with all of our products.

**Research and Development**

We consider environmental factors beginning with the earliest stages of design and development. We use the [12 principles of green chemistry](#), environmental risk assessments, packaging manufacturing reviews and an environmental development review process to evaluate potential environmental impacts during the scale-up of production to manufacturing levels.

**Materials and Natural Resources**

Our stakeholders, including customers, governments and suppliers worldwide, are increasingly focused on the materials and chemicals used to make pharmaceutical products. A key component of our sustainability strategy is to reduce our carbon footprint by continuing to increase the use of environmentally friendly materials and processes. Additionally, through our chemical management program, we work to reduce our use of materials, water and other natural resources when possible.

**Manufacturing**

We recognize that our manufacturing processes require the use of valuable natural resources. Our priorities include compliance with applicable HSE regulations, policies, procedures and standards as we work to continually improve our environmental performance related to energy efficiency, waste minimization and water management. We strive to reduce Lilly's environmental impacts associated with our own manufacturing processes as well as our contract manufacturing organizations.

**Product Transportation and Logistics**

We consider many factors when selecting product packaging, including sustainability aspects such as materials reuse and recyclability. We have formed a green logistics team that seeks to optimize both shipment volumes and transportation methods to reduce packaging materials and greenhouse gas (GHG) emissions.

**Product End-of-Life**

Our product journey is circular and always comes back to where it started – the patient.

We work with stakeholders to ensure cost-effective approaches are available for product end-of-life disposal that balance environmental protection, patient safety and privacy, legal compliance and security.

We commit to understanding the potential effects of pharmaceuticals in the environment (PiE). We support using science-based evaluations to assess and reduce the environmental risks of our pharmaceutical products. Through collaborations with industry partners, academic researchers and regulatory agencies, we continually work to further understand and proactively address any potential impacts from our products.

## Green Chemistry

Green chemistry has been a focus at Lilly for many years. From the selection of candidate molecules through the identification of manufacturing processes, our development teams engage in a variety of activities during research and development to design sustainably, including:

- eliminating or reducing the hazardous materials or chemicals of concern used to make a product
- focusing on removal of substances of very high concern (SVHC) as classified by the European Chemicals Agency
- shrinking the waste profiles of certain molecules through reduced solvent and water use
- increasing the overall efficiency of material use
- advancing the underlying green chemistry of medicine development and making production both safer and more environmentally friendly through a commitment to continuous process improvement
- implementing new manufacturing technologies that minimize environmental impact, including continuous flow processes, which Lilly has worked to advance in the pharmaceutical industry.

By employing green chemistry, we have also been able to enhance the [safety profile](#) of manufacturing processes by reducing the risk of the most hazardous manufacturing steps. We are also focused on the adoption of greener and safer solvents where possible. For example, we have replaced several hazardous solvents and hazardous air pollutants with safer alternatives in our chemical synthesis operations.

## Lilly Research

We continue to advance green chemistry through our own research, and several of our findings were published in scientific journals. Highlights include:

- **Sustainable Oligonucleotide Manufacturing –** [Co-authored a paper](#) examining the sustainability challenges and opportunities in oligonucleotide manufacturing, including minimizing waste and production costs.

- **Patent for Greener Medicine –** Developed improvements in solvent efficiency and published a [process patent](#) and [manuscript](#) describing continuous chemistry for Lilly's once-weekly dual glucose-dependent insulinotropic polypeptide (GIP) and glucagon-like peptide-1 (GLP-1) receptor.
- **Synthetic Molecule Design & Development –** [Co-authored a paper](#) which captures the first systemic metrics study for synthetic peptides that warrants more environmentally friendly processes in peptide manufacturing.

## External Collaborations

Lilly actively pursues wider industry collaborations to help advance green chemistry through a combination of dialogue and leadership with peer companies, scientific partnerships and research sponsorship. We are actively engaged in collaborations with the American Chemical Society (ACS) Pharmaceutical Roundtable and the IQ Consortium's Green Chemistry Working Group to promote the Green Aspiration Level (GAL) tool and support ongoing development of industry standards.

Since 2022, we have worked with industry peers to improve the [iGAL metric](#). Yield, and convergence were added as new key sustainability indicators and include a new formula for convergence with potential applicability in computer assisted synthesis planning (CASP) algorithms. The improved statistical model of iGAL 2.0 represents a valuable extension to the common API process waste metrics, process mass intensity (PMI) and complete E factor (cEF). We believe that iGAL 2.0 can readily be adopted by pharmaceutical firms around the globe and thereby empower and inspire their scientists to make meaningful and significant contributions to sustainability.

# Global Chemical Management

Governments around the world and across many of the regions where we operate have developed chemical management legislation, such as the REACH regulation in the EU that requires companies to collect and register information about certain chemicals they manufacture or use, unless those chemicals are exempt.

These regulations may require replacing chemicals identified as hazardous with safer alternatives, when available. To address these concerns, we have implemented a formal program and screening process to evaluate designated “chemicals of concern” throughout the pharmaceutical research and development process. Our process also addresses mitigation steps where new restrictions may impact our existing operations. This assists us with ensuring that our facilities and supply chain remain in compliance with chemical management laws.

During the scale-up of medicine production to manufacturing levels in our pharmaceutical business, we use an Environmental Development Review process to evaluate other potential environmental issues and opportunities. This process identifies and addresses potential impacts arising from manufacturing, suggests process improvements and facilitates learning as new medicines transition from the laboratory to the manufacturing facility.

Ensuring that our medicines have a smaller impact on the environment does not stop with green chemistry. We also focus extensively on water use, waste and Pharmaceuticals in the Environment (PiE). Learn more about our [waste](#) and [water](#) efforts.

## Green Logistics

We consider many environmental sustainability factors in selecting product packaging, including material use and recyclability. Pharmaceutical packaging must meet stringent regulatory and internal standards. In some cases, this prevents us from using recycled content, as is the case with container closure systems that come into direct contact with our products. We continually seek to improve packaging design to reduce the amount of packaging used, use lower-impact materials and ensure recyclability. Examples of some of our packaging initiatives include:

- **EndeavAir Project** – We are committed to improving the sustainability of packaging used for transporting medicines by air and sea freight. Historically, we used a single-use insulated package. After researching and testing alternatives, we arrived at a reusable shipping container that improves performance and increases capacity, thus reducing the number of shipments overall. We have implemented this new packaging solution at our sites in Japan and Spain and aim to expand use to other geographies in the coming years.
- **Recycling of Data Loggers** – Every year, thousands of data loggers – small temperature measuring devices that ensure the quality of our pharmaceutical products – are used in logistics and then simply thrown away. We were able to develop a recycling program for these devices in cooperation with our manufacturer.

## Product End-of-Life

Unlike many consumer products that can be recycled or are composed of materials that can be reclaimed at the end of their usefulness, many of our medicines are by nature, different. Public health regulations often prohibit the use of recovered materials from pharmaceutical products like those produced by Lilly. We continue to work with customers, industry partners and public health officials to address these product end-of-life issues.

We promote policy decisions that are efficient, effective and protect both human health and the environment. We also support educating patients and caregivers on proper disposal of medicines and syringes, needles and other sharps used in home settings. We communicate this information to patients through product user manuals and [The Lilly Answers Center](#), a hotline that answers frequently asked questions about our products.

We are a member of the Pharmaceutical Product Stewardship Work Group (PPSWG), a U.S.-based membership association that coordinates pharmaceutical manufacturer efforts to respond to state and local household medicine and sharps takeback laws. We are a participating company in [MED-Project USA](#) and MED-Project LLC (“MED-Project”), owned by PPSWG, which serve as the stewardship organization designated by PPSWG members to implement and operate mandated household unwanted medicine and sharps take-back programs. The [MyOldMeds.com](#) website is provided by PPSWG as an easy way for patients to find a site near them to dispose of unwanted, unused or expired medicines from households.

We also engage with other industry stakeholders on these matters in the EU, such as [European Federation of Pharmaceutical Industries and Associations \(EFPIA\)](#), and in [Canada Health Products Stewardship Association](#).

## Device Take-Back and Recycling

We are also committed to investigating ways to mitigate plastic waste by exploring potential new options to reduce end-product waste. Lilly is exploring opportunities individually and with industry collaborations that include:

- efforts led by pharmaceutical associations
- collaborations with other pharmaceutical and device manufacturing companies
- supplier-led sustainability collaborations.

In addition, we are providing financial and resource support to potential partners for testing of newer recycling technologies that could lead to recycling and reuse of plastic after our devices are used by patients.

- **United States** – Lilly is working with several recyclers in assessing the feasibility of their process to recycle Lilly devices. Once the feasibility is established, the goal is to scale up the technology for potential device recycling programs more broadly.
- **Germany** – Lilly is conducting a device take-back pilot program in Germany. This effort was initially launched with a limited number of hospitals in 2020 and has since been expanded to include more than 150 health care offices and hospitals in Germany. The collected devices are being used in recycling pilots for assessing methods of recovering plastics and other materials. While still in its infancy, the pilot program is a step in our efforts to increase the circularity of our devices and minimize their environmental impact.
- **Denmark** – Lilly has joined a collaborative effort with Novo Nordisk, Sanofi and Merck to pioneer the world's first cross-industry solution for recycling injection pens. This pilot program was launched in Denmark in May 2023 and is planned for 12 to 18 months, leveraging the existing recycling infrastructure in the country. The ambitious target for the pilot is for 25% of all injection pens distributed by the four companies in Denmark to be recycled.
- **France** – Lilly, in collaboration with Sanofi, has joined RECYPEN, the first recycling effort for insulin

injection pens in France. RECYPEN is an initiative led by DASTRI, the national eco-organization approved to collect and treat waste from health care activities. This pilot program for recycling insulin injection pens from Lilly and Sanofi is planned to launch in 2024 in four pilot regions: Auvergne-Rhône-Alpes, Grand Est, Hauts-de-France and Occitanie. The program will be tested for an initial one-year period and aims to collect 30% of pens used by patients in these regions.

- **UK** – The [Circularity in Primary Pharmaceutical Packaging Accelerator \(CiPPA\)](#) launched a new initiative with ambitions for waste reduction and environmental stewardship, such as the development of effective end-of-life product management of pharmaceutical packaging and diverting waste from landfill sites. Lilly, along with other leading pharmaceutical companies, global over-the-counter (OTC) brands and health care systems such as the NHS, has joined CiPPA in this collaborative initiative focused on packaging solutions surrounding blisters, inhalers and injectables.
- **Spain** – Lilly is evaluating alternate recycling technologies in addition to evaluating mechanical recycling. For this purpose, we are collaborating with a company in Spain offering enzymatic as well as pyrolysis technologies. Proof-of-concept studies are underway.

# Biodiversity Management Approach

As a medicine company, we recognize our responsibility to protect and conserve nature while pursuing our purpose to make life better for people around the world. Biodiversity and nature conservation is not a new concept for Lilly. Lilly has been involved in environmental protection and nature enhancement projects across its global facilities for decades. Lilly recognizes the importance of biodiversity and its role in supporting health and wellbeing.

Lilly strives to protect designated biodiversity rich areas, manage existing biodiversity at our sites and enhance biodiversity within the communities where we operate. We collaborate with external partners, industry coalitions, and our employees to raise awareness and drive action on biodiversity conservation.

## IN THIS SECTION

- › Biodiversity Strategy and Approach
- › Case Studies
- › External Collaborations



## Top-down (Governance & decision making)

Regulations & Compliance

Risk Assessment

Materiality



Action Plan

Measurement & Metrics

Assessment

## Bottom-up (Site level initiatives)

### Biodiversity Objectives

- Protect
- Manage
- Enhance

## Biodiversity Strategy and Approach at Lilly

Lilly's biodiversity strategy outlines our approach to managing risks related to biodiversity and ecosystems, promoting sustainable practices and contributing to the conservation and restoration of endangered habitats and species. Our strategy focuses on a top-down and bottom-up approach that funnels from governance and decision-making to site-level initiatives and implementation.

## Case Studies

### Kinsale Harbor Study

To study the overall impact of our manufacturing facilities on the local environment, our site in Kinsale, Ireland initiated a longstanding evaluation of aquatic habitat quality and benthic biodiversity in 1978. Managed by the National University of Ireland Galway, the Kinsale Harbour Study is one of the longest studies of marine coastline conducted anywhere in the world. The evaluation has not identified evidence of adverse impacts on habitat quality and benthic biodiversity in the study area due to wastewater discharge from the Kinsale site. Results have been published in peer-reviewed scientific publications and several project reports. This project continues to support academic research for university students.

## Leading the Industry in Ecologically Sound Endotoxin Testing

Lilly applauds the US Pharmacopeia's (USP) addition of recombinant reagents, including rFC, for use in the bacterial endotoxins test as a sustainable alternative over horseshoe crab-sourced LAL. This is an important step that will help pave the way for the broader use of recombinant reagents in the pharmaceutical industry.

This new test chapter is especially important now, given that several horseshoe crabs and associated species are threatened or endangered by habitat loss and overharvesting. This important change will positively impact the ecosystems that depend on them and their eggs, including the Red Knot migratory shorebird.

Lilly began implementing rFC testing in 2016 to detect the presence of harmful bacterial toxins in the injectable manufacturing process. Lilly will continue to be an industry leader in using rFC, having converted 80% of our testing of medicines, including all our latest diabetes and obesity medicines.

We have recently invested time and technology to fully automate the rFC testing process. USP's adoption of recombinant reagents, based on proven, peer-reviewed science, will enable us to evaluate the best way to transition the remainder of our medicines.

Using rFC is also more sustainable because it does not depend on a natural resource. Sustainability is central not only to our purpose but also to our growth agenda. Limiting our dependence on natural resources, in this case, horseshoe crabs, is not only the right thing to do but also makes Lilly a stronger, more resilient company.

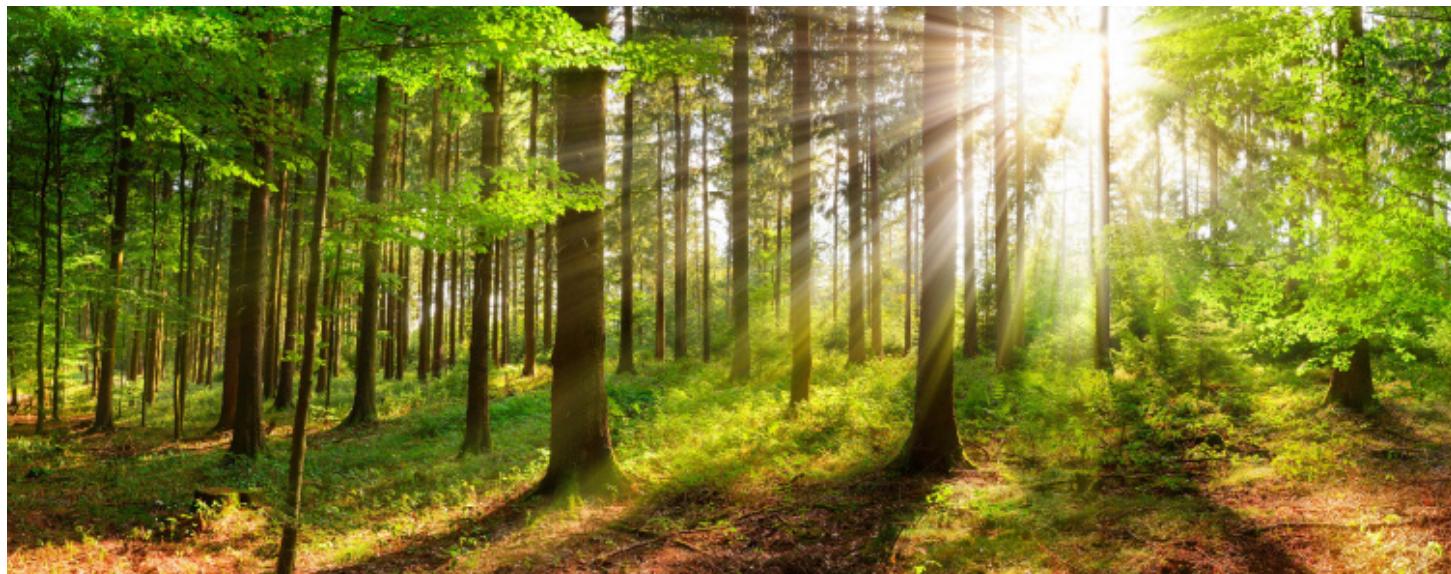
## External Collaborations and Partnerships

Biodiversity is a broad topic, and it is important to understand where the pharmaceutical sector can make a difference. Recognizing this, Lilly is proactively engaged in collaborative efforts with external partners and industry working groups to assess and prioritize the risks to biodiversity.

This collaborative approach is a critical element for refining Lilly's biodiversity strategy and implementation plan. By actively involving external stakeholders, including environmental organizations, research institutions and industry peers, we can better ensure that our strategies are informed by a holistic understanding of biodiversity-related risks and opportunities.

### Biodiversity Research Collaboration

In 2023, Lilly initiated a collaborative biodiversity project with the University of California, Santa Barbara (UCSB). The aim of this project is to assess the implication of the Taskforce for Nature-related Financial Disclosures (TNFD) and Science Based Targets Network (SBTN) frameworks, which emerged following COP15, on sites where we operate. The collaboration also aims to evaluate TNFD's LEAP (Locate, Evaluate, Assess and Prepare) approach for Lilly's global sites, excluding upstream operations. This analysis will help inform further strategies and prioritization of biodiversity-related projects and metrics.



# Social



## IN THIS SECTION

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Patient Safety	98

[Download Data Sheet](#)

# Our Social Approach

Our approach to social impact starts with our medicines and our goal to expand access to quality health care. We work with global health systems and organizations to extend our reach by being part of the solution for complex global health challenges that disproportionately affect people living in settings with limited resources. We strive to provide an inclusive, high-performance workplace where our team members can bring their full authentic selves to work every day to grow and thrive. And in our communities, we invest our time, expertise and resources to drive social impact, with a focus on health. We also engage in targeted social issues that affect our business, employees and communities, with an emphasis on racial justice and education.

## Goals and Highlights



### Access and Affordability

Reach 30 million people in resource-limited settings annually by 2030, through investments in people, medicines and health systems.



### Community Engagement

Lilly employees and retirees, along with match from the Lilly Foundation, contributed more than \$12 million to United Way in 2023.



### Diversity, Equity & Inclusion

Increase the number of minority group members. We're committed to addressing underrepresentation in our workforce as measured against the representation of available and qualified talent in the labor market. We continue to make progress through efforts designed to broaden the diversity of our candidate pools and reduce impediments to equal employment opportunity that may exist.



### Employee Safety

Achieve zero severe injuries; develop safety leadership capabilities, reduce our most significant risks that could have life-altering or fatal consequences and manage business continuity risk.



# U.S. Access & Affordability

## SASB Disclosures Covered:

[Access to Medicines](#) (HC-BP-240a.1, HC-BP-240a.2)

[Affordability & Pricing](#) (HC-BP-240b.2)

## IN THIS SECTION

- › [Pricing in the U.S.](#)
- › [Lilly U.S. Affordability Solutions](#)

## Management Approach

Throughout our nearly 150-year history, Lilly has worked to address some of the most pressing health challenges facing humanity, including infections, diabetes, depression, cancer and obesity. Today, more than 55 million people are estimated to use Lilly medicines.

But we know that our commitment to patients and society goes beyond the medicines we make.

We are committed to equitable and affordable access to our medicines so that our breakthroughs can transform more people's lives. This includes our approach to pricing in the U.S. described in this section.

We're also committed to expanding our impact on society by addressing complex U.S and global health challenges, with a focus on people living in communities with limited resources. Learn more about these efforts in [Global Access & Health](#).

## Pricing in the U.S.

Pricing medicines to achieve the optimal balance between patient access and sustained investment in innovative treatments is complex. At Lilly, we know that pricing our medicines is one of the most important decisions we make as a company. We use a value-based approach to pricing, taking into account the following:

**Customer perspective** – The unmet needs that medicines can fulfill for patients and caregivers and how people can affordably access the treatment.

**Company considerations** – The costs of research, development, manufacturing, distribution and support services for customers; business trends and other economic factors; and the medicine's potential market size and patent life.

**Competitive landscape** – The benefits of our medicine compared to alternative medicines and where our medicine is appropriate for treating conditions.

**Contributing factors** – Such as health system changes and policy guidelines.

Lilly also makes price adjustments over a product's lifecycle that are based on the factors above as well as post-approval clinical data.

We are committed to educating stakeholders about the value of our medicines and ensuring transparency about our prices. List prices for many of our medicines, as well as average out-of-pocket costs and financial assistance information, are [published online](#).

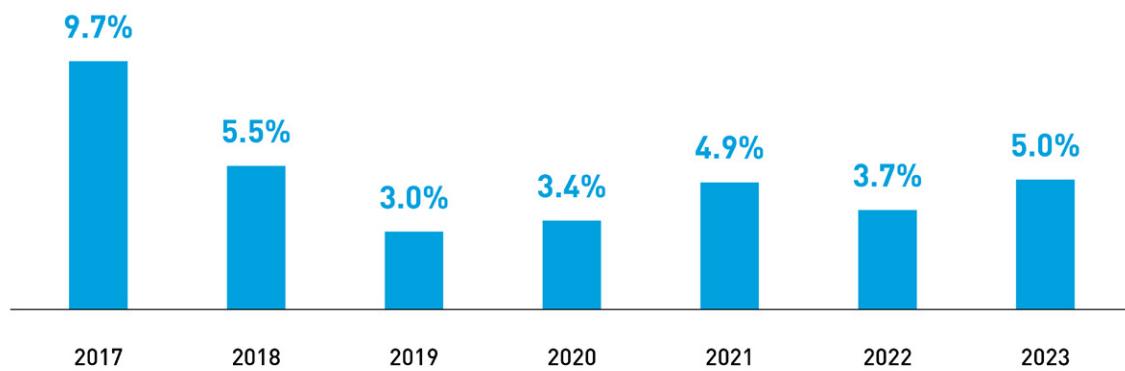
### List Price vs. Net Price

A list price for each of our medicines is set using the considerations noted above.

We pay rebates and other discounts and fees to payers, pharmacy benefit managers (PBMs), the U.S. government and other supply chain entities such as wholesalers and distributors. After paying these rebates, discounts and channel costs, the final dollar amount that Lilly ultimately receives is called the net price.

These rebates and discounts have continued to grow over the years for Lilly's U.S. portfolio while net prices for many of our medicines have continued to decrease.

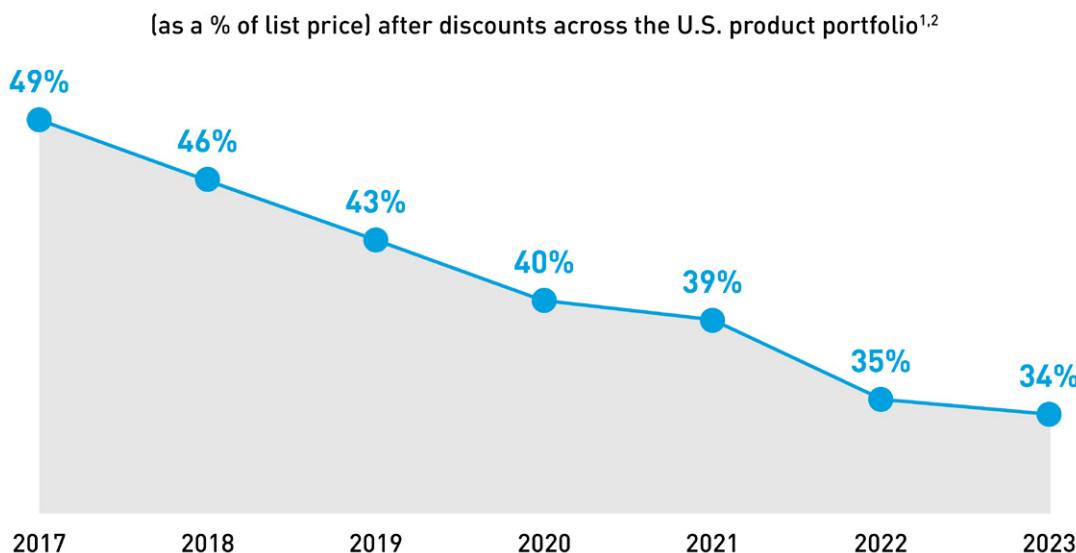
## Lilly List Price Changes for U.S. Product Portfolio<sup>1,2</sup>



<sup>1</sup> U.S. Product Portfolio excludes COVID therapies and revenue from divested products. Bamlanivimab and Etesevimab are not included because they are not marketed commercially. The U.S. Product Portfolio represents approximately 96% of our total U.S. human pharmaceutical revenue in 2023.

<sup>2</sup> List Price represents the weighted average year-over-year change in the wholesale acquisition cost (WAC).

## Average Lilly Net Price



<sup>1</sup>U.S. Product Portfolio excludes COVID therapies and revenue from divested products. Bamlanivimab and Etesevimab are not included because they are not marketed commercially. The U.S. Product Portfolio represented approximately 96% of our total U.S. human pharmaceutical revenue in 2023.

<sup>2</sup>The average net price percentage is calculated by dividing net sales, the amount Lilly receives after rebates and discounts, by the annual gross sales (total sales at list price, prior to all discounts).

## Lilly U.S. Affordability Solutions

We're a medicine company turning science into healing to make life better for as many people as possible. We work to improve access to our treatments and increase equity throughout the health care system. We actively advocate for and participate in the process of driving systemic positive changes.

We support the realignment of financial incentives for the entire pharmaceutical supply chain so that patients directly benefit from the net pricing we provide. We are also taking important steps within our own control to increase access to Lilly medicines today.

Lilly offers a variety of affordability solutions through patient support programs and copay assistance across the major products in our portfolio. For many of our migraine, immunology, diabetes and obesity medicines, we have copay assistance programs to bring eligible patients' monthly out-of-pocket costs to as little as \$25 or lower. For cancer, the Lilly Oncology Support Center assists eligible patients in identifying affordability options related to their Lilly treatment. The Lilly Diabetes Solution Center is a resource for patients to learn about

our different insulin affordability solutions, which are outlined below.

### Insulin Affordability

For millions of people with diabetes, insulin is a life-saving medicine. Over the last century, this medicine has improved and extended countless lives around the world. Lilly understands the importance of our role as a leading diabetes company – and that includes supporting affordable access to insulin therapies.

While many people in the U.S. have insurance coverage with affordable copays, some have large deductibles they must satisfy before insurance will cover their medicines and others have no insurance at all. And, for many people, insulin is just one of several interventions used to control diabetes, such as blood glucose monitoring devices and other medicines.

Over the past several years, Lilly has introduced multiple insulin affordability solutions, including our Lilly Insulin Value Program. As a result of our efforts, anyone – whether they are uninsured or use commercial insurance, Medicaid or are enrolled in a Medicare Part D plan – is eligible to buy their monthly prescription of Lilly insulin for \$35 or less, regardless of the number of pens or vials they use.\* To make it even easier for people to access Lilly insulin, we took additional steps in 2023, including:

- Reducing the list price of our most commonly prescribed insulins by 70%.
- Automating the \$35 out-of-pocket monthly cap for people with commercial insurance at participating retail pharmacies.
- Cutting the price of our non-branded insulin, Insulin Lispro, which is the same molecule as Humalog, to \$25 per vial, making it the lowest list-priced mealtime insulin available.
- Launching a biosimilar basal insulin, Rezvoglar, at a lower list price.

Under the Inflation Reduction Act (IRA), more than 3 million Medicare beneficiaries who take insulin will pay \$35 per month or less on their insulin. Lilly was a strong supporter of this provision as it aligns with the affordability solutions we've had in-place years before the IRA became law.

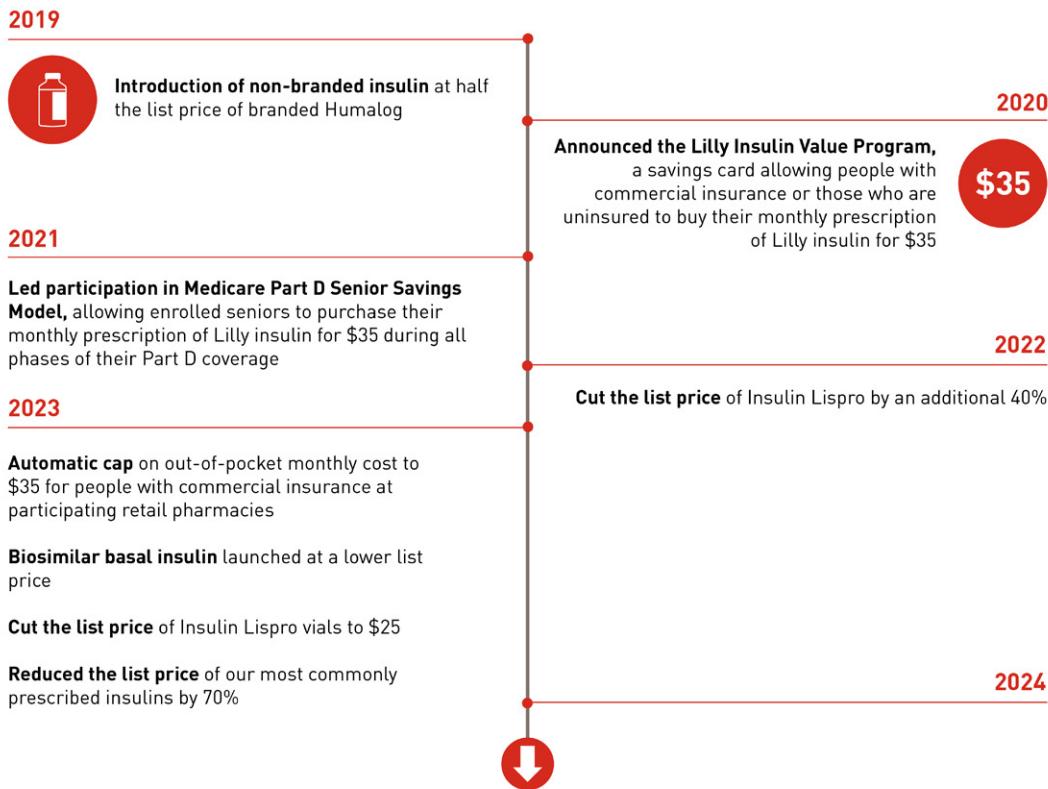
See related graphic for an overview of the recent actions Lilly has taken to make insulins more affordable in the U.S.

All of these initiatives have made a real impact, helping 100,000 people save \$20 million each month. Importantly, despite rising insurance deductibles, the average monthly out-of-pocket cost for Lilly insulin has continued to drop for the past six years from \$38.64 to \$17.16 – a decrease of 56%.

Lilly has either reduced list prices for our insulins or held them steady over the past six years while net prices continue to decline.

\*Terms and conditions apply.

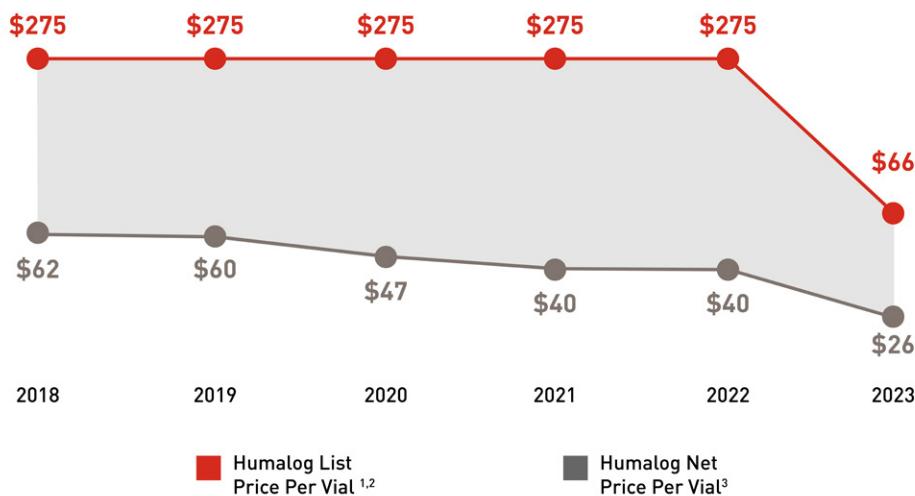
## U.S. Access and Affordability Journey



Terms and conditions may apply to certain of these programs. Savings or caps may be automatically applied at the majority of retail pharmacies for those with commercial insurance. Government restrictions exclude people enrolled in federal government insurance programs from Lilly's \$35 solutions. However, federal law provides that Medicare Part D beneficiaries also pay no more than \$35 per month for insulin.

## Humalog® (U-100)

### List and Net Price Per Vial (USD)



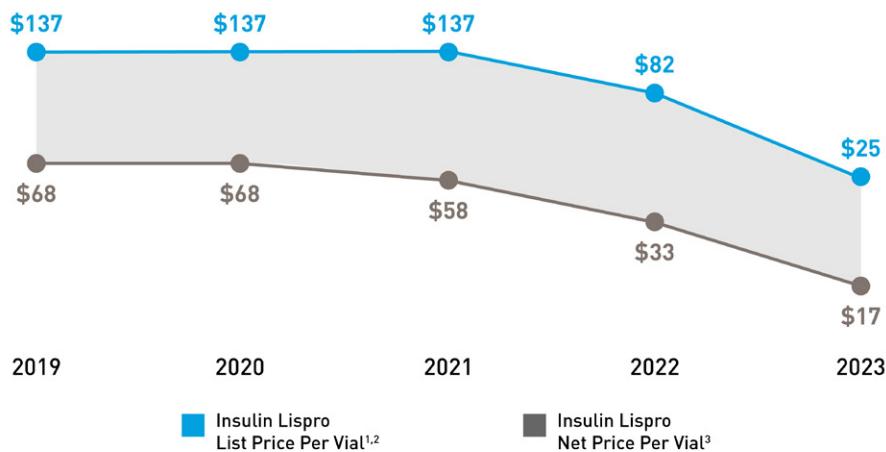
<sup>1</sup> List price represents wholesale acquisition cost on December 31.

<sup>2</sup> List price of Humalog (U-100) was reduced to \$66.40 beginning on December 30, 2023.

<sup>3</sup> Net Price represents WAC minus rebates, discounts and channel costs. The average net price per vial, the amount Lilly receives after rebates and discounts, is calculated by dividing the total net vial sales (Humalog vials), by the total vials sold.

## Insulin Lispro (U-100)

### List and Net Price Per Vial (USD)

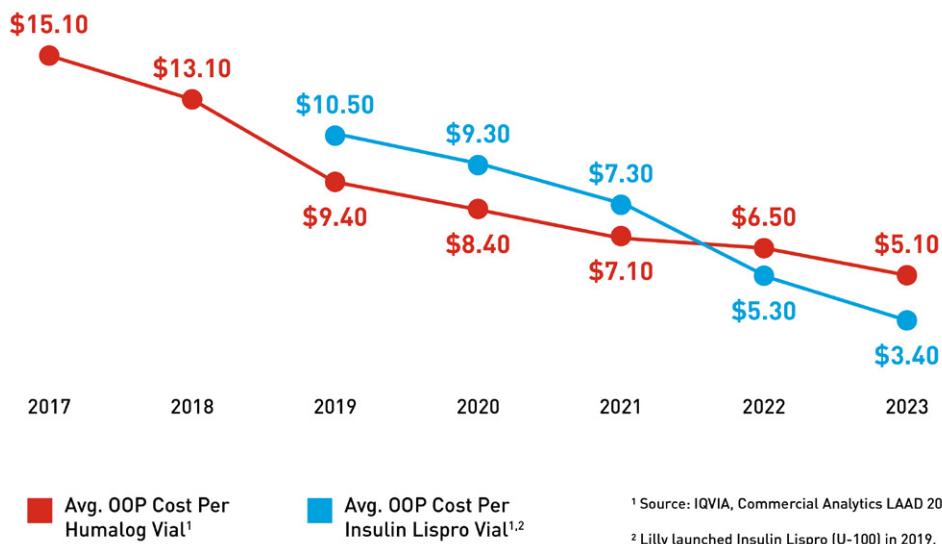


<sup>1</sup> List Price represents wholesale acquisition costs (WAC) on December 31.

<sup>2</sup> The new list price for Insulin Lispro-U-100 vial, \$25.00, went into effect May 1, 2023.

<sup>3</sup> Net Price represents WAC minus rebates, discounts and channel costs. The average net price per vial, the amount Lilly receives after rebates and discounts, is calculated by dividing the total net vial sales (Insulin Lispro vials), by the total vials sold.

## Humalog® (U-100) and Insulin Lispro (U-100) Average Out of Pocket Cost Per Vial (USD)



**Lilly Diabetes  
Solution  
Center**

Lilly Affordability Programs

[insulinaffordability.com](http://insulinaffordability.com)

Lilly Diabetes Solution Center at (833) 808-1234

Information about all of our insulin affordability solutions is available on [insulinaffordability.com](http://insulinaffordability.com) and through the Lilly Diabetes Solution Center at (833) 808-1234. The Solution Center is a call center staffed with experts who can help guide individuals to the affordability solution that best matches their needs, including connecting people with diabetes to charitable organizations that provide free Lilly insulin. Additionally, we are a financial supporter of [getinsulin.org](http://getinsulin.org), a tool launched in 2020 by the patient advocacy group, Beyond Type 1, that helps people easily find the most affordable insulin options in their area – regardless of brand or manufacturer. Both web- and app-based, getinsulin.org is a convenient one-stop shop for people who use insulin and is available in both English and Spanish.

## Medicine Donations

Beyond our affordability solutions, Lilly also donates medicines to tax-exempt organizations, including national relief organizations and the Lilly Cares Foundation, which provide Lilly medications for free to qualifying patients. Eligibility is determined by each tax-exempt organization.

The [Lilly Cares Foundation](#), as a separate tax-exempt organization, helped more than 197,000 qualifying patients during 2023 obtain prescribed medications across the therapeutic areas of diabetes, immunology, neuroscience, cancer, pain, endocrinology, cardiovascular and bone, muscle and joint. Over the past 20 years, the Lilly Cares Foundation has helped more than 1 million patients with financial need receive medicines donated by Lilly.

## Long-Term Policy Solutions

Lilly is actively working with other stakeholders throughout the U.S. health care system, including Congress, to seek policy solutions to address systemic gaps in patient affordability. Some of these include:

- **Lower Out-of-Pocket Costs** – We support basing patient out-of-pocket costs for medicines on the lower net price that health plans and pharmacy benefits managers (PBMs) pay after subtracting rebates and discounts they receive from manufacturers. Payer negotiated discounts are typically passed fully to patients for other health care services, but not for medicines. Lilly believes any rebate it pays should be passed through to people at the pharmacy counter to offset the cost of their medicines.
- **Delinking** – We support basing PBM fees on the value of the services they provide rather than a medicine's price. Fees, rebates and other payments in the health care system are often calculated as a percentage of list price. By delinking PBM fees from list price, the incentive for high prices would be removed and could lower costs for patients.
- **First-Dollar Coverage** – We support exempting more health care items and services for chronic conditions – such as insulin – from patients' deductibles. This would improve patients' access to necessary treatment and provide consistent costs every month.
- **Insulin Out-of-Pocket Caps** – We support expanding the monthly \$35 copay cap on insulin in Medicare to the commercial market, a federal solution that would make permanent for all insulin users what Lilly has already done on its own.

- **Transparency** – We support additional transparency in the system. We commend legislation like the Pharmacy Benefit Manager Transparency Act of 2023, which encourages fair and transparent practices that benefit local pharmacies and consumers.

We believe these necessary long-term reforms could provide lasting relief to patients struggling to access and afford their medicines regardless of manufacturer, moving the U.S. health care system from a series of patchwork solutions toward systemic change. In the meantime, Lilly intends to continue providing affordability solutions to people who need them.

## Value vs Volume: Linking Cost to Patient Outcome

When a patient seeks medical care, the health care system's top goal should be to improve their health. Medical interventions, including medicines, should be evaluated based on how well the patient's health may improve. This seems obvious, but it's not how our current payment system works.

Under the existing fee-for-service model that is common in the U.S., payments are based on the number of treatments or services provided, not whether a patient sees improvements in their health. However, as health care costs and rates of chronic disease continue to rise, there has been increased urgency to deliver care that brings greater value to both the patient and the health care system.

We believe that innovative value-based arrangements (VBAs) are an important part of the solution. VBAs allow Lilly to stand behind the health outcomes we expect our medicines to deliver when the medicines are used appropriately. Such arrangements are designed to link the cost of our medicine more directly to patient outcomes.

A VBA includes predefined patient health outcomes and/or associated performance metrics based on the observed impact of a particular medicine on the person taking it. Such metrics can include favorable test results, improved medication adherence, reduced re-hospitalization rates or reduction in overall disease management costs. This approach can transform the health care system to one that is about delivering value versus one about the volume of services provided or medicines purchased.

Lilly has been committed to increasing the use of VBAs in the U.S. since 2014. In addition, we have alternative access contracts in other global markets, many of which are value-based. We use each VBA as an opportunity to

learn more about the real-world data we need to gather to make these arrangements more effective.

In many cases, VBAs improve access to a medicine for eligible patients and many patients may also get more personalized care, given medicines in these arrangements are generally made available based on how well they work in specific subpopulations. For payers, VBAs can help them better maintain affordability in novel ways and pay for medicines that deliver outcomes. For companies like Lilly, these arrangements can increase access to their medicines and reinforce data from clinical studies with real-world evidence. And over the long term, the results from these arrangements may help inform and improve future research and development efforts.

We believe VBAs have the potential to improve patient outcomes while lowering costs for the entire health care system, but to be successful they require increased collaboration between payers, health systems, employers, patients and industry. At Lilly, we continue to advocate for legislative and regulatory changes that support this transition. We believe this is one of the most important long-term changes we can make as an industry.

## Health Literacy

We strive to provide patients with helpful and easy to understand information about our medicines and devices. This gives patients the very best chance to benefit from our innovative treatments. We do this by using something called “health literacy” when creating and designing our patient materials.

### What is Health Literacy?

Health literacy is how well someone can access, understand and use health information to make decisions about their, or a loved one’s, health. Health literacy is more than just reading level — it also targets health-related skills and understanding, like knowing exactly when and how to use a medicine prescribed by a doctor to help patients feel more confident in taking good care of their health.

Lilly has eight health literacy principles that help us empower patients through information that's clear and easy to understand. When we communicate clearly to our patients, we help remove barriers that can prevent better health for patients. This includes helping to reduce confusion that may come from cultural or language differences, which can help improve health equity for everyone, including those in traditionally underserved communities.

In a quest to make health literacy a priority companywide, Lilly developed an internal health literacy resource website to help teams independently create content and design materials for their various audiences. The tools and resources on this site can help employees assess documents for readability and appropriateness for intended audiences, identifying any potential issues that would make the materials difficult to understand.

Our health literacy approach isn't required by the FDA or any other legal or regulatory body. We do it because we believe it's the right thing to do, and it helps us deliver on our promise to make life better for people around the world.

## Lilly's Eight Health Literacy Principles



## Writing for Understanding

- Write in plain language
- Make it relevant
- Include action steps
- Use easy-to-understand numbers
- Choose culturally familiar language and examples



## Visual Design

- Design for easy scanning
- Use type that's easy to read
- Choose visuals that support your content

## Making Health Care More Affordable for Employees

Employers are spending more than ever to provide health benefits to their workers in the U.S. Yet many people, especially those with chronic illnesses, struggle with affordability and access to the care they need. If more employers reduce cost-sharing for high-value therapies – especially large employers – they could change the insurance market in ways that could improve health and productivity while constraining costs.

Like all employers, Lilly works every year to reduce the rising costs of health care for our organization. For more than a decade, we've offered exclusively high-deductible plans to our employees. But we take certain steps to make sure our high deductibles don't lead our people to skip the care they need. We have implemented solutions in our own company consistent with the systemic changes for which we advocate.

We fund our employees' health savings accounts all at once at the beginning of the year. It shouldn't matter if someone gets sick around New Year's Day or Thanksgiving Day – we believe they should have money to help cover their health care costs. We provide first-dollar coverage for preventive and chronic disease medications by exempting them from our health plan deductibles. This means Lilly employees, retirees and their families pay only 10% to 20% of these medicines' prices instead of the full retail price.

For all medicines, Lilly's health plan has lowered costs by passing through rebates to patients at the point of sale. Sharing these rebates helped approximately 9,650 of our health plan members save \$475 on average in 2023 – or about \$4.6 million collectively. We provide all insulins to our eligible employees, retirees and family members at zero cost. This helps our health plan members stay fully adherent to their therapy. Employees and their eligible

family members with diabetes can also receive a free connected glucose meter and related supplies, along with real-time support from trained diabetes educators.

We believe corporate leaders across the U.S. can make longer-term decisions and trade-offs to more effectively manage health benefits. Working together, employers can advance good ideas and help provide a better way to make U.S. health care and health insurance work for all Americans.





# Global Access & Health

## SASB Disclosures Covered:

[Access to Medicines](#) (HC-BP-240a.1, HC-BP-240a.2)

[Affordability & Pricing](#) (HC-BP-240b.2)

## Management Approach

Throughout our nearly 150-year history, Lilly has worked to address some of the most pressing health challenges facing humanity, including infections, diabetes, depression, cancer and obesity. Today, more than 55 million people are estimated to use Lilly medicines.

However, our impact on health goes beyond the medicines we discover, develop and manufacture.

Through our global health efforts, Lilly is committed to addressing complex health challenges around the world. Our efforts include a focus on noncommunicable diseases (NCDs) and people living in historically marginalized communities in the U.S. and low- and middle-income countries (LMICs). We are committed to expanding equitable and affordable access to our breakthrough medicines so that they can transform more people's lives.

We work across industry boundaries, providing catalytic support to leading health organizations at the global, regional and local levels. We thoughtfully collaborate with proven organizations that have the knowledge and capabilities to enhance the education, diagnosis, treatment and care of people living with NCDs.

To drive progress, we established [Lilly 30x30](#), the company's global health effort which aims to improve access to quality health care for 30 million people living in resource-limited settings annually by 2030.

## IN THIS SECTION

- › Why NCDs?
- › [Lilly 30x30](#)
- › [Global Health Highlights](#)

## Why NCDs?

The growing human toll of NCDs, including cancer and diabetes, is unacceptable and inequitable. According to the [World Health Organization](#), NCDs are the leading cause of death worldwide, claiming the lives of 41 million people each year. That number is expected to rise to 52 million by 2030.

The vast majority of NCD deaths occur in LMICs, where infrastructure and resources can be limited. The COVID-19 pandemic, which had a disproportionate impact on people living with NCDs, further exacerbated health discrepancies for people in LMICs and highlighted an urgent need to act.

Lilly's current portfolio of medicines and pipeline are focused on NCDs. Beyond our scientific innovations, we believe our deep knowledge and expertise can help close health care gaps and assist in addressing the growing burden of NCDs for people living in communities with limited resources.

### Pricing Around the World

We sell medicines in approximately 105 countries around the world. Each country values medications and innovation differently and must balance competing demands for finite resources, including other health care products and services, as well as meeting social needs, such as education or infrastructure.

Pricing medicines to achieve the optimal balance between affordable patient access and sustained investment in innovative treatments is complex. How to price medicines is one of the most important decisions we make as a company. When pricing a medicine, we use a value-based approach, reflecting the value provided to patients, providers, payers, caregivers, health systems and society. The approach also considers competitive dynamics and other environmental factors. Drawing from this information, we evaluate country-specific conditions when pricing medicines on a market-by-market basis to help ensure patients around the world have affordable access to the innovative medicines we develop.

We support [public policies](#) to meet this same end. We explore new pricing and reimbursement models in different markets, and we advocate for policy changes that help increase access to medicines while protecting innovation and enabling development of new medicines. For example, we support value-based and outcomes-based reimbursement models that can deliver greater health and economic value to health systems.

As a global company, we are aware that patients in LMICs face economic circumstances that may limit their ability

to pay for health services and medicines. In response, Lilly is deploying alternative business models (see Lilly 30x30 below) and innovative collaborations to help provide high-quality, affordable Lilly medicines in these markets. We also support efforts to decrease the final price of medicines to patients in these countries, such as minimizing out-of-pocket costs and limiting markups across the supply chain.

### Lilly's Support of Universal Health Care Principles

The COVID-19 pandemic highlighted the critical need to build stronger, more resilient health systems that can respond rapidly to new emergencies while continuing to deliver essential health services, including for NCDs. The global push for Universal Health Coverage (UHC) as part of the United Nations' Sustainable Development Goals presents an opportunity to drive real progress in achieving the vision of a world where all people have access to the quality health services and medicines they need, when and where they need them, without financial hardship. To deliver on this ambition, the global health community must come together across sectors, including the private sector, to close the UHC financing and implementation gaps.

Lilly believes that, as an innovative medicine company, we have an important role to play in this collective, multisectoral action. We contribute through our continued investment in developing medicines to address unmet medical needs around the world, our efforts to extend the reach of our existing medicines to more people who need them and our support to strengthen health systems and policies. We also encourage stakeholders around the world to pursue action with the goal of access to care for everyone who needs it.

See our [Transparency](#) section for more on how Lilly's sustainability efforts support and advance progress on the UN Sustainable Development Goals..

### Intellectual Property

Intellectual property (IP) protections play a central role in driving innovations that result in better patient outcomes. Additionally, IP protections provide the necessary incentives to enable the global health ecosystem to operate. At Lilly, we use patent rights to protect meaningful innovation that enables sustainable investment in the high-risk and costly research and development required to discover, develop and deliver innovative medicines. At the same time, we respect that patents are limited in scope and duration, and we support robust generic and biosimilar competition when IP

protections expire. Lilly is deeply committed to promoting both world-leading innovation and lower out-of-pocket costs for patients.

IP protections also played a central role in facilitating Lilly's rapid COVID-19 therapeutics collaborations on both the development and manufacturing fronts. These protections will be critical to confronting future pandemic challenges. For example, voluntary licensing enables companies to move quickly in response to an emergency, working together to develop new medicines. These agreements allow for rapid technology transfer between companies without risking misuse of the partners' technology platforms.

Sustaining robust, reliable, predictable and enforceable IP frameworks also promotes the pursuit of breakthroughs in areas of unmet need, such as Alzheimer's disease and antimicrobial resistance. By allowing some certainty in an otherwise high-risk, high-investment endeavor like medicines development, IP protections embolden investor confidence to keep the engines of innovation operating at full speed.

IP protections also improve patient access by expanding the innovation base and reliably driving entry of biosimilars and generics. Because of the limited duration of IP protections, expiration of those protections allows for shifts to generic and biosimilar medicines. These products create financial savings for patients and create budgetary headroom for health systems to expand access to newer medicines. Lilly supports healthy markets for generics and biosimilars, including removal of regulatory, pricing, reimbursement and access barriers when IP protections expire. In addition, Lilly continues to engage in approaches to IP in Least Developed Countries that take into account their unique challenges. These may include voluntary licensing, non-assert policies or selective approaches to filing, in addition to supporting capacity-building initiatives which can foster a dynamic local innovation ecosystem.

In 2021, Lilly joined the [IP PACT](#) (IP Principles for Advancing Cures and Therapies), a multi-company initiative affirming the biopharmaceutical industry's commitment to innovation and keeping patients at the center of our work. The IP PACT includes ten principles guiding the way our industry uses IP, including to facilitate collaboration and partnerships, to act responsibly in patent proceedings and to support vibrant generic and biosimilar markets. The principles are intended to balance the needs of patients, society and our business — to further health care innovation and help patients live longer, healthier lives.

## Lilly 30x30

Through investments in people, medicines and health systems, we strive to improve access to quality health care for 30 million people living in resource-limited settings annually by 2030. We call this global effort Lilly 30x30. To achieve our goal, we are leveraging company resources and collaborating with leading health organizations to increase access to Lilly medicines and address complex global health challenges. We work to enhance health across three areas of impact:

- **Pipeline** – discovering medicines, repurposing internal assets and supporting external pipelines
- **Programs** – strengthening and creating new programs that help improve access to Lilly medicines
- **Philanthropy (and other initiatives)** – supporting efforts that strengthen health systems, increase access to medicines and improve care.

In each of these areas, we are working to develop high-impact, scalable and sustainable solutions for people living in communities with limited resources, including by investing in and leveraging local and regional capabilities.

### Governance of Lilly 30x30

To embed accountability throughout the company, Lilly 30x30 is governed by a steering committee of 13 senior executives, including six Executive Committee members and the head of Social Impact. Reporting to the CEO, this committee oversees management of key priorities and operational milestones to measure our progress and help ensure Lilly 30x30 is strategically aligned with our business and core purpose of making life better for people around the world.

### Measuring Patient Reach

In 2023, the estimated Lilly 30x30 reach was 18 million people, or past the halfway point to our 30x30 goal. The growth from 13 million people reached in 2022 to 18 million in 2023 was driven by continued global health investments and new ways of reaching people living in resource-limited settings.

To estimate the number of patients reached with Lilly medicines who live in resource-limited settings, we use brand-specific conversion factors, assumptions on product use and net shipping volume for:

- our marketed products that are commercially distributed in these regions
- medicines the company provides to organizations that offer free Lilly medicines to patients who qualify.

In addition, the health organizations that we support provide annual patient reach estimates for their respective efforts, as do companies receiving investment from the venture funds in which Lilly made impact investments. These numbers are combined with the Lilly estimates to arrive at the annual 30x30 patient reach total.

### Progress toward Lilly 30x30



## Pipeline

As a medicine company, our greatest contribution to global health is the discovery and development of innovative medicines.

In 2023, we continued to engage external organizations with the goal of developing innovative solutions for diseases disproportionately affecting people living in resource-limited settings. Lilly committed [\\$50 million](#) to venture capital firms that specialize in near- and long-term health care solutions for patients in LMICs. This allocation includes a commitment to LeapFrog Emerging Consumer Fund IV. [LeapFrog](#) is an impact growth equity fund investing in South and Southeast Asian and African businesses that, among other priorities, provide innovative health care solutions to low-income consumers by offering relevant and affordable products to promote wellness and help prevent and manage chronic diseases.

Lilly continues to be a top-tier investor in the Antimicrobial Resistance (AMR) Action Fund, with \$100 million committed over the life of the fund. The AMR Action Fund was launched in 2020 by more than 20 leading biopharmaceutical companies, including Lilly. Joining forces with global charitable organizations and development banks, the [AMR Action Fund](#) aims to accelerate antibiotic development with the goal of delivering two to four new antibiotics by 2030. To date, the fund has made [investments in seven](#) U.S. and European biotech organizations with pipelines targeting a range of infections.

In 2023, through Lilly 30x30, we launched a new process to systematically evaluate internal assets to identify product development and access planning strategies for LMICs with the goal of accelerating our reach and scale. We will continue to explore potential opportunities and business development models that further support the development of our Lilly 30x30 pipeline, including venture impact investing.

## Programs

Through Lilly 30x30, we are strengthening our existing programs and developing new approaches to improve access to Lilly products and services for people living in resource-limited settings. These efforts include exploring alternative business models and expanding access strategies and patient support programs.

### Patient Support Programs

Lilly offers a variety of affordability solutions through patient support programs and copay assistance across the major products of our portfolio, including medicines for diabetes, migraine, immunology and cancer. We offer these programs across the globe.

Our patient support programs fall into three categories:

- supporting patients through reimbursement and product access issues
- answering questions related to living with disease and managing health
- providing information on Lilly medicines and training on Lilly devices.

### Alternative Access Programs

Lilly offers alternative access programs in addition to standard pricing, reimbursement and access models. These programs facilitate appropriate patient access to Lilly medicines by addressing specific challenges faced by institutional payers, patients or channel partners.

We are also advancing manufacturing and public-private partnership-based solutions to expand access to our products in the countries where Lilly currently has no or limited presence.

In late 2022, Lilly announced [a collaboration](#) with EVA Pharma to enhance sustainable access to affordable human and analog insulin in Africa, with the goal of reaching at least 1 million people living with diabetes in LMICs by 2030. Lilly will be supplying active pharmaceutical ingredient (API) for insulin at a significantly reduced price and will provide technology transfer to enable EVA Pharma to manufacture and

supply insulin to many LMICs, most of which are in Africa. EVA Pharma expects the first registration of its human and analog insulin products in Egypt in 2024, followed by registration and distribution in other African countries.

Also in 2023, Lilly [entered](#) into a distribution and promotion agreement with Aspen Pharmacare to sell, promote and distribute Lilly's pharmaceutical portfolio in South Africa and the rest of Sub-Saharan Africa. The effort seeks to expand access to Lilly's innovative portfolio of medicines and to reach more patients in the region.

## Philanthropy (and Other Initiatives)

Through strategic contributions and engagements Lilly supports global health organizations in their work to strengthen local health care systems and improve access to quality health care. Our focus lies in championing innovative, sustainable and scalable solutions to help address pressing global health concerns, especially for diabetes and cancer care. We seek to facilitate cross-industry action to develop and test models of care to reach as many people as possible.

Through our support, we prioritize the World Health Organization's six [building blocks of health system strengthening](#). These fundamental components —

leadership and governance, health financing, health workforce, service delivery, information and research, and medical products and technologies – form the backbone of a robust health care system. By concentrating on these priorities, we aim to:

- enhance capabilities of the health care workforce and systems
- improve service delivery mechanisms, training of health care providers and digital information systems
- help bring quality health care closer to the patient, including by leveraging community health workers.

This strategic approach enables us to help address health access challenges, fostering resilience and sustainability in the pursuit of our 30x30 goals. Data and lessons learned through the various initiatives supported by Lilly are shared to help inform public policy and advocate for scale-up and replication of proven, cost-effective solutions.

## Global Health Overview



**27 active  
engagements**

**Focus geographies:**  

- India
- Mexico
- Southeast Asia
- Sub-Saharan Africa
- U.S.

**Focus areas:**  

- Diabetes
- Cancer
- Obesity
- Health systems strengthening



**28  
implementing  
organizations**

Focus Countries/Regions	Engagement	Focus Areas
Africa, Asia, the Caribbean, Latin America and the Middle East	Life for a Child - Expansion	Blood glucose monitoring, diabetes education and support for children and youth in resource-limited settings for better disease management and health outcomes.
Africa, Latin America, the Caribbean and South Asia	Direct Relief - Expansion	Increasing refrigeration capacity at Life for insulin storage as well as other cold chain pharmaceuticals such as injectable therapies, cancer products or vaccines at Life for a Child partner facilities in resource-limited settings.
India	Linking to Care	The integrated care program screens patients with tuberculosis and their contacts for diabetes and hypertension, ensuring early disease detection and linking quality care in Chennai, India.
India	JDRF	Secure improved care access for 1.5 million individuals with type 1 diabetes by 2030, with a particular focus on those under the age of 30.
Kenya	The Max Foundation - Humanitarian PACT for Advanced Breast Cancer Program	Provide access to treatment for advanced breast cancer patients in Kenya.
Mexico	Indiana University - AMPATH - Mexico	Replicate a successful academic model by working with health stakeholders to improve health outcomes and transform primary health care delivery for NCDs in Puebla, Mexico.
Mexico	Carlos Slim Foundation	Develop a screening algorithm and treatment protocol for women with gestational diabetes for primary care clinics to decrease maternal-child mortality rates and complications at birth.
Mexico	Clinicas del Azucar (CdA)	Validate effectiveness of a 'one-stop-shop' diabetes model and test key drivers for keeping people in the cascade of diabetes care.
South Africa	Tshwane Insulin Project (TIP)	Develop a health care provider and technology supported approach to safely manage high-risk type 2 diabetes patients on insulin at primary care centers in the Tshwane district in South Africa.

Focus Countries/Regions	Collaboration Name	Focus Areas
Southeast Asia	Action4Diabetes (A4D0 - HelloType1 Educational Platform)	Supporting and educating the type 1 diabetes community (youth with T1D and their caregivers) across eight countries (Cambodia, Indonesia, Laos, Malaysia, Myanmar, Thailand, Philippines, Vietnam) for better disease management and health outcomes.
Sub-Saharan Africa and Southeast Asia	UNICEF	Implement care models and interventions to strengthen health systems for children and adolescents with chronic conditions - type 1 diabetes, congenital and rheumatic heart disease, sickle-cell disease and chronic respiratory conditions through a four-year collaboration to reach 10 million children in five countries: Bangladesh, Malawi, Nepal, the Philippines and Zimbabwe.
U.S.	Direct Relief - Fund for Health Equity	Improving health in underserved communities of the U.S. with a focus on the social determinants of health.
U.S.	Diabetes Impact Project - Indianapolis Neighborhoods	Improve diabetes diagnosis, care, and overall quality of life in three Indianapolis communities that experience disproportionately high rates of diabetes. DIP-IN is a resident led, multi-sector effort, leveraging Community Health Workers.
U.S.	Clinicas del Azucar (CdA)	Expand CdA's model in the U.S. to provide comprehensive diabetes care for immigrant populations in Texas and other border states.

AMPATH – Academic Model Providing Access to Healthcare

NCD – Noncommunicable Disease

Additional support for charitable efforts to close gaps associated with health access in resource limited settings in the U.S. and LMICs are provided by the Lilly Foundation, a separate tax-exempt organization that provides strategic and philanthropic support to other qualifying tax-exempt organizations consistent with Lilly's general philanthropic objectives.

See below for more details about the work we support.

## Lilly Global Health Initiatives

### Multi-Region Initiatives

- UNICEF – In 2022, Lilly and UNICEF [announced](#) an initiative to help improve health for 10 million children and adolescents living with or at risk of chronic

NCDs through 2025\*. Lilly committed \$14.4 million in support of UNICEF's life-saving work to address NCD risk factors, strengthen health systems and enhance the ability of health care workers to care for people in Bangladesh, Malawi, Nepal, the Philippines and Zimbabwe. The five countries selected have the potential to strengthen country-level health systems and models that provide care and support for [children and adolescents](#) with chronic conditions, including type 1 diabetes, congenital and rheumatic heart disease, sickle cell disease and chronic respiratory diseases (e.g., asthma). More than 400,000 people were impacted through UNICEF's work during 2023, including clinicians, community health workers, district trainers, caregivers, children and adolescents. This four-year commitment reflects the respective efforts of Lilly and UNICEF to work toward the [UN Sustainable Development Goals](#), specifically, SDG3,

which aims to ensure healthy lives and promote well-being at all ages.

- **AMPATH** – Lilly has provided support for the Academic Model Providing Access to Healthcare (AMPATH), which has been working for nearly 35 years in western Kenya to improve health for people in resource-limited settings. Lilly's product donations in support of AMPATH Kenya total more than \$245 million – including more than \$31 million in medicines in 2023 – and are helping people living with cancer, diabetes and mental health disorders. Most recently, Lilly has supported AMPATH's efforts to replicate their model of care in Puebla, Mexico, which has the potential to reach more than 14 million people by 2030. Lilly has committed support of more than \$2.8 million to AMPATH Mexico.
- **Life for a Child** – Since 2009, Lilly has provided more than 8.1 million vials and cartridges of insulin to support the [Life for a Child](#) program. Life for a Child provides support to children and youth with diabetes in resource-limited settings. This support includes insulin, delivery devices, monitoring supplies, medical care, diabetes education, complications screening and management, and advocacy. In 2021, Lilly announced plans to expand support for Life for a Child and increase access to care to approximately 150,000 children and youth annually by 2030. To facilitate the expanded support, we have increased our contribution of mealtime and basal insulins and reusable pens, as well as financial support for the costs associated with storing, packing and shipping to countries in collaboration with [Direct Relief](#). In 2023, more than 50,000 children and youth were supported by Life for a Child with Lilly insulin.
- **Cold Chain Initiative** – In early 2023, Lilly and Direct Relief announced a new initiative to expand access to medicines in low-income countries and LMICs by expanding medical cold chain capacity. With Lilly's \$1.15 million in funding, Direct Relief procured and installed 151 refrigeration units across 18 countries for 85 Life for a Child supported medical facilities in Africa, Latin America, the Caribbean and South Asia. In addition to supporting Life for a Child, this initiative will strengthen health care systems by increasing cold-chain storage so that more health care facilities will have the ability to store other cold chain pharmaceuticals such as injectable therapies, cancer products or vaccines.

## Africa

- **The Max Foundation Humanitarian PACT for Advanced Breast Cancer Program** – In early 2024, Lilly

and The Max Foundation announced an initiative to provide access to Verzenio for advanced breast cancer patients in Kenya. Lilly's support includes the provision of product as well as funding to The Max Foundation to establish the infrastructure, implementation and operation of the program.

- **Tshwane Insulin Project (TIP)** – Lilly engaged with the University of Pretoria in South Africa to support a research project aimed at initiating and titrating insulin in type 2 diabetes patients in primary health care. The [TIP](#) project implemented an intervention led by nurses and supported by community health care workers and doctors. The project demonstrated that patients can be safely initiated on insulin in primary care settings. Results show that TIP patients have achieved HbA1C reductions of more than 3%. In addition, anecdotal evidence shows that the overall HbA1C control of patients in the Tshwane district is better than other districts in the province with health care officials attributing this to the exceptional training provided to general practitioners, nurses and community health workers during the project.

## Asia

- **Linking to Care (LTC)** – The LTC project in Chennai, India, uses tuberculosis (TB) as an entry point to start screening patients for diabetes and hypertension. The program also screens patients' family members for TB, diabetes and hypertension. Working with community health workers, the LTC project has proven that integrated model of care for patients with a communicable disease like TB and noncommunicable diseases is possible. This model has proven to be efficient, made care more accessible to patients in resource-limited settings and provided valuable lessons for effectively managing care for chronic diseases holistically.
- **Action for Diabetes (A4D)** – Lilly provides support to A4D to develop and roll out a HelloType1 online educational platform to support type 1 diabetes community in seven countries across South-East Asia. In addition, A4D supports youth living with type 1 diabetes in Laos with human and analog insulins provided by Lilly.

## Latin America

- **Gestational Diabetes Mellitus (GDM) in Mexico** – Lilly supported the [Carlos Slim Foundation](#) and the Mexican Society for Public Health in a five-year effort, which concluded in December 2023, to improve outcomes for pregnant women with gestational diabetes and their babies. The approach offered a

better, less expensive way to perform an [oral glucose tolerance test](#) to screen for gestational diabetes and help women who test positive avoid complications during pregnancy. The work delivered several important outcomes, including documenting for the first time the prevalence of gestational diabetes in Mexico at a national level (14.3%), [identifying three subtypes](#) of the disease, and developing an innovative artificial intelligence-based prediction model for gestational diabetes which is present in 455 health centers. Over 3,500 physicians, nurses and community health workers have undergone training centered on maternal and childcare. As an outcome of this program, more than 1.2 million individuals were positively impacted in 2023.

- **Expanding Comprehensive Diabetes Care Model across Mexico and U.S.** – Lilly is supporting Clinicas del Azúcar and Massachusetts Institute of Technology (MIT) on their six-year effort to validate and expand a comprehensive diabetes care model for underserved patients with the goal of improving health over the long term. The efficacy of the model of care has been [validated](#), and Clinicas del Azucar has leveraged this evidence to significantly expand across Mexico with 39 clinics, benefiting more than 340,000 people to date and saving nearly \$925 million by helping patients avoid complications associated with diabetes. In addition, Lilly is supporting Clinicas del Azucar's model for further expansion into the United States to provide low-cost, improved diabetes management and care with the potential to reach 1 million underserved Latinx patients by 2030 in Texas and other border states.

## North America

- **Diabetes Impact Project** – Indianapolis Neighborhoods (DIP-IN) – Lilly committed \$12 million to the DIP-IN project focused on three Indianapolis communities predominantly of color with high diabetes prevalence. The goal of DIP-IN was diabetes prevention and control. The project, launched in 2018, leverages resident steering committees to lead neighborhood-based health promotion initiatives aimed at expanding access to health-supporting resources and improving overall health for all residents. DIP-IN has played a role in nearly 50 community initiatives so far. The

project includes both neighborhood- and clinic-based community health workers (CHWs), to help identify people living with or at-risk of developing diabetes so they can be connected to quality care. The project is led by Indiana University Richard M Fairbanks School of Public Health, along with other partners. Since the project began, more than 600 people living with diabetes have worked with DIP-IN CHWs to address their medical and social needs, resulting in a [significant reduction in HbA1c levels](#).

Lilly supported the convening of a CHW Policy Forum, comprised of key local, state and national organizations. The CHW Policy Forum has worked to elevate the essential role of CHWs as part of a resilient health care system and helped to shape a policy agenda that supports the long-term sustainability of the CHW workforce. These efforts led to a white paper, [Integration of Community Health Workers for a More Resilient U.S. Healthcare System](#), which was presented to policymakers during a session of the National Conference of State Legislators Annual Legislative Summit in August 2023.

- **Direct Relief Fund for Health Equity** – In 2021, we announced our commitment of \$5 million over five years to Direct Relief's Fund for Health Equity as a component of our [Racial Justice Commitment](#). Through this fund, U.S. health centers, free and charitable clinics, and other community-based organizations and educational institutions are offered the opportunity to apply for grants from Direct Relief of up to \$250,000 annually. Direct Relief makes grants aimed at strengthening the capacity of recipient organizations to provide high-quality, culturally appropriate health care while focusing on social determinants of health for the underserved populations. Lilly's funding has facilitated Direct Relief to support 12 awardees to date.

\*UNICEF does not endorse any company, brand, product, or service.

## Multi-Stakeholder Collaborations to Advance the U.N. Sustainable Development Goals

We are members of several multi-stakeholder collaborations focused on tackling global health challenges, including:

- [Access to Oncology Medicines Coalition \(ATOM\)](#) – A global initiative to improve access to essential cancer medicines and increase the capacity to use these medicines appropriately in low-middle-income countries.
- [Coalition for Access to NCD Medicines & Products](#) – A global, multisectoral coalition dedicated to increasing access to medicines and health products for NCDs to reduce the impact of diseases such as diabetes, hypertension and cardiovascular disease.
- [NCD Alliance](#) – A global thought leader on policy and practice related to NCDs.
- [Partnership for Quality Medical Donations \(PQMD\)](#) – A global collaboration that brings together global medical-product companies and humanitarian organizations to promote sustainable access to quality

health care in underserved communities during times of crisis.

### Product Contributions

In 2023, Lilly and its affiliates provided more than \$4.3 billion in medicines to charitable organizations that offer free Lilly medicines to qualifying patients around the world.<sup>\*\*</sup> This includes product contributions used by third parties for patient assistance programs and humanitarian efforts and support of Life for a Child and AMPATH, noted above.

As part of these efforts, Lilly donates medications to the [Lilly Cares Foundation](#), a separate nonprofit organization. The Lilly Cares' Patient Assistance Program provides qualifying patients in the U.S. with financial need prescribed Lilly medications at no cost. In 2023, Lilly Cares helped more than 197,000 people obtain prescribed medications across the therapeutic areas of diabetes, immunology, neuroscience, cancer, pain, endocrinology, cardiovascular and bone, muscle and joint. Over the past 20 years, Lilly Cares has helped more than 1 million patients with financial need receive medicines donated by Lilly.

*\*\*Products valued at wholesale acquisition cost.*

## Global Health Highlights



**55.8 Million**

people around the world reached with Lilly medicines in 2023



**\$9.3 Billion+**

investments in research and development in 2023



**30 Million**

people in resource-limited settings who Lilly aims to reach, each year, by 2030



**\$4.3 Billion**

in free medicines provided in 2023<sup>1</sup>



**\$300 Million+**

committed to global health 2016-2030<sup>2</sup>



**8.1 Million**

insulin vials and cartridges provided for Life for a Child program since 2009

<sup>1</sup> Includes value of medicines provided by Lilly and its affiliates to charitable organizations that offer free Lilly medicines to qualifying patients. Product contributions valued at wholesale acquisition cost.

<sup>2</sup> Includes financial commitments from Lilly and \$17.8 million from the Eli Lilly and Company Foundation, a separate nonprofit organization, commonly referred to as the Lilly Foundation.



# Community Engagement

## IN THIS SECTION

- › Corporate Volunteering, Supporting & Giving
- › Disaster Preparedness & Relief
- › Community Engagement Data

## Management Approach

For nearly 150 years, Lilly has developed lifesaving and life-changing treatments for people with chronic illnesses, advanced new discoveries and redefined what it means to live with and manage diseases. We recognize that Lilly has a responsibility to look beyond our walls – to help create a world where every individual has an equitable opportunity to live the healthiest life possible. We recognize that a person's ability to prosper is determined by several factors, so we take a holistic approach to investing in healthier futures. Lilly and the Lilly Foundation support organizations that address inequities in social determinants of health such as education, employment and income – and that tackle systemic issues like racism, a public health threat.

Lilly strives to be at the forefront of tackling social determinants of health so that more individuals in Indiana and worldwide can thrive and lead a healthy life.

### Extending Our Community Impact

Lilly is committed to extending the reach of our impact, including through:

- **Eli Lilly and Company Foundation** – Lilly provides financial donations to the Eli Lilly and Company Foundation, Inc., commonly referred to as the [Lilly Foundation](#). Established in 1968, the Lilly Foundation is a separate tax-exempt organization that provides strategic and philanthropic support to other qualifying tax-exempt organizations consistent with Lilly's general philanthropic objectives. Visit Lilly Foundation to learn more.
- **Lilly Grant Office** – Lilly provides financial support to projects that promote excellence in patient care and provide valuable information to the medical and patient advocacy communities. Visit the [Lilly Grant Office](#) to learn more.

# Corporate Volunteering, Supporting and Giving



## Volunteering

Empowering our diverse workforce to give back to our communities



## Supporting

Establishing strategic engagements to extend the reach of our impact



## Giving

Raising funds to create lasting change in the areas of health, racial justice and education

### Volunteering

At Lilly, we actively encourage our employees to volunteer. We offer programs that help them serve their communities at home and abroad. We support employees' volunteerism interests and offer many opportunities for employees to engage.

### Global Day of Service

In 2023, Lilly celebrated its 16th annual Global Day of Service. On the day, thousands of employees all over the world came together to volunteer on a range of projects

supporting their local communities. These projects focused on health, education and improving communities around the globe.

Across more than 20 countries, Lilly employees provided meals, stocked shelves, made blankets, played math games with kids, painted murals, planted trees and more.

Here's a sample of employees' experiences:

*"I had a great day on my first Lilly Global Day of Service at an organization called Gather, which is working to make the Greater Seacoast of New Hampshire and Maine a hunger-free community."*

**Mick Davidson**, Executive Director-Medical, Connected Care and Insulin

*"On September 22, Lilly Romania volunteers participated in the 16th Global Day of Service at the same time with Lilly colleagues around the world. We connected hands and hearts to renovate a center for refugees from Ukraine, in Bucharest."*

**Nineta Manta**, Senior Manager Human Resources

*"Lilly employees in Houston, Texas, checked in today for the Global Day of Service! We worked with Target Hunger, a United Way agency, which was founded in 1989 as grassroots, community-based program to fight the increasing hunger problem in Houston's inner-city neighborhoods."*

**Tiffany Joseph**, Senior Territory Manager, Houston South

### Connecting Hearts Abroad

Connecting Hearts Abroad, Lilly's signature global service program, provides an opportunity for 150 employees each year to participate in company-sponsored service projects supporting global communities with limited resources. Since launching in 2011, nearly 2,000 Lilly global employees have volunteered in 20 countries to impact health outcomes. Lilly volunteers work with underserved communities and help address access and inequities in health care. View [this video](#) to see how Lilly employees are volunteering around the world.



## A Fresh Chapter

Connecting Hearts Abroad has engaged with a variety of non-governmental organizations over the years. In 2023, Lilly supported [A Fresh Chapter](#) (AFC) to deliver the [Africa Elevate Fellowship Program](#), which brought together skilled volunteers from Lilly, and cancer survivors and advocates from Kenya, South Africa, Canada and the United States. The program is designed to scale AFC's innovative psychosocial support model in Kenya and beyond.

The project included both a virtual component and a two-week onsite experience in Kenya. Participants in the fellowship program reported a benefit to their sense of purpose, sense of connectedness, comfort working on a project with people from other cultures, and ability to employ culturally sensitive practices in their professional/work activities. In addition, the program helps reduce the stigma associated with cancer by encouraging open conversations and understanding among people from diverse backgrounds. Lilly's support of AFC began in 2016 with the Peru Odyssey program, supporting a small number of cancer survivors and thrivers, and expanded to Kenya in 2019 with the inaugural Africa Elevate Fellowship Program. Since 2019, AFC has had a direct impact in the lives of over 2,700 Africans impacted by cancer.



## Supporting the Community

To expand our reach, we support key organizations and groups that align with our vision to strengthen communities around the world. Lilly and the Lilly Foundation seek out and support organizations that have demonstrated results in driving social impact.

In 2023, the [Lilly Foundation](#) provided grants to improve educational opportunities, to combat racial injustice and inequalities, address health inequities and to make Indianapolis a better place to live.

## Improving Educational Opportunities

The Lilly Foundation aims to advance exceptional and equitable K-12 STEM (science, technology, engineering and math) education in Central Indiana to increase the number of women and minorities pursuing STEM careers. 2023 grant highlights include:

- \$350,000 to Purdue Polytechnic High School for STEM-based curriculum to support post-secondary STEM degrees and high demand trade jobs.
- \$200,000 to Girl's Incorporated of Greater Indianapolis to support the Eureka STEM program for high school girls and to enhance the STEM curriculum in its core programs – EmpowerHub, the school-based program and Summer Camp.
- \$150,000 to TechPoint Foundation for Youth to support the expansion of the VEX Go classroom-based robotics program and to provide STEM Mentors that connects local STEM professionals to local VEX Go teachers to help connect what the students are learning with real world application.

## National STEM Day

In 2023, Lilly celebrated National STEM Day with about 1,400 students participating in the Elements of STEM™ Program through Junior Achievement, which is aimed at inspiring middle school students in the realms of science, technology, engineering and mathematics. The event featured interactive simulations that showcased real-world applications of STEM across diverse industries and engaging live virtual sessions led by Lilly professionals, with the goal of empowering future generations with the knowledge and skills they need to thrive in a world of increasing STEM opportunities.

*"It's an experience that students aren't able to get. The connection to a real-world organization like Lilly is outstanding and being able to bring that into the classroom in this real-world, interactive way is something that is very unique."*

**Alyssa Andis**, Executive Vice President of Strategy and Programs, Junior Achievement of Central Indiana

## Making Indianapolis a Better Place to Live

The Lilly Foundation works to make Indianapolis a better place to live and work by supporting select community development and cultural organizations. Grant highlights in 2023 include:

- \$500,000 to Central Indiana Community Foundation as the fiscal sponsor of The District Theatre to support and sustain professional development and productions for Black theatre, art and opportunity in Central Indiana.
- \$200,000 to the Immigrant Welcome Center to help meet the increasing needs for readily available legal services by its immigrant neighbors, including assistance with adjustment of status, removal of conditions, applying for asylum and more.

## Combating Racial Injustice and Inequity

The Racial Justice Commitment, launched by Lilly and the Lilly Foundation in 2020, aims to address racial injustices and increase opportunities and equity for Black Americans.

As part of the effort, the Lilly Foundation pledged \$25 million over five years to support racial equity. Since 2020, the Lilly Foundation has awarded more than \$19 million to combat racial injustice and inequity in Indianapolis. 2023 grant highlights include:

- \$1,000,000 to Be Nimble Foundation, Inc. to facilitate educational programming that fosters the entrepreneurship ecosystem in historically excluded communities in the greater Indianapolis area.
- \$375,000 to the Boys and Girls Club of Indianapolis to reach more youth through its Community Diversion Program and better support their mental health needs.
- \$275,000 to Fathers and Families Center to strengthen its fatherhood curriculum, improve technology at its facilities, provide barrier assistance to fathers, and support for fathers to complete job certifications and high school equivalency.

Learn more about the [Racial Justice Commitment](#).

## Health Equity

The Lilly Foundation aims to close gaps in health equity in resource-limited settings in the U.S. and across the world. 2023 grant highlights include:

- \$2,000,000 to Indiana University related to the Indiana University Center for Global Health Equity for the AMPATH Breast and Cervical Cancer Screening program to improve women's cancer outcomes in Kenya and Nepal.
- \$225,000 to the Flywheel Foundation for its Health Equity Innovation Challenge and support of innovative solutions to problems that create significant healthcare outcome disparities.

## Giving

Lilly nurtures a nearly 150-year-old culture of volunteerism and philanthropy. Our workforce is deeply committed to going beyond our business to help meet community needs and to help support those affected by disasters and other humanitarian crises.

As a purpose-driven culture, we strive to create spaces of giving in the communities where we live and work. Many of our employees are inspired and motivated to do the same globally.

In 2023, the Lilly Foundation matched over \$6.2 million in Lilly employee and retiree contributions. These contributions help address complex societal challenges, including in the areas of health, racial justice and education.

## United Way

For more than a century, Lilly has supported the United Way of Central Indiana and hundreds of United Way chapters across the U.S. in the communities where we live and work. We remain committed to the United Way as a meaningful way to address the most pressing needs in our communities.

The Lilly Foundation matches Lilly employee contributions through the Lilly United Way campaign dollar-for-dollar. In 2023, Lilly employees, retirees and the Lilly Foundation contributed more than \$12 million to over 475 United Way chapters.

# Disaster Preparedness and Relief\*

While it's impossible to prepare for every situation, the impact of a disaster may be mitigated with preparation. Disasters – whether natural or manmade – can change lives in an instant. Lilly works with leading disaster and humanitarian relief organizations to provide medicines and support people and communities to help them recover. These collaborations and initiatives include:

- **Disaster Preparedness Product Support** – Since 2009, we've worked with the global relief organization [Direct Relief](#) to supply insulin and other medicines as part of their Hurricane Prep Packs, which are distributed in advance to health centers in hurricane zones throughout the U.S., Puerto Rico and the U.S. Virgin Islands. We also supply insulin and other medicines to Direct Relief's Strategic Emergency Stockpile initiative, which provides medical items that are urgently needed following disasters. In 2023, we contributed \$3.8 million of product to Direct Relief's disaster preparedness efforts.
- **Disaster Relief Product Support** – We donate medicines and supplies that are specifically requested by relief organizations, including Amicares, Direct Relief and Project HOPE. These organizations, with whom we have long standing relationships, work closely with clinics and hospitals on the ground to quickly assess and prioritize needs after a disaster.
- **Partnership for Quality Medical Donations** – We are a charter member of [Partnership for Quality Medical Donations](#), a global collaboration that brings together global medical-product companies and humanitarian organizations to promote sustainable access to quality health care in underserved communities during times of crisis.
- **Diabetes Solution Center** – We offer the Lilly [Diabetes Solution Center](#) to help people in the U.S. with immediate needs related to diabetes care, including those impacted by disasters and others who may need help affording their insulin.

In times of great need, the Lilly Foundation provides strategic cash donations to relief organizations and matches Lilly employee contributions dollar for dollar. These donations help support immediate needs during a crisis and in cases of severe disasters, rebuilding efforts over time.

Learn more about how Lilly provides [assistance](#) in disaster preparedness and relief.

## 2023 Disaster and Humanitarian Relief

- **Earthquake in Syria and Turkey** – Lilly and its affiliates responded to the February 2023 earthquakes that impacted Syria and Turkey by providing insulin pens and vials to Direct Relief and the Turkish Ministry of Health. The Lilly Foundation made a \$250,000 donation to organizations supporting the Red Crescent Societies in those areas. It also committed up to \$250,000 in matching funds for eligible Lilly employee donations to humanitarian response organizations serving the impacted region.
- **Humanitarian Crisis in Sri Lanka** – Lilly responded to the ongoing humanitarian crisis impacting patients in Sri Lanka by providing insulin pens to Direct Relief.
- **Wildfires in Maui** – Lilly responded to the August 2023 Wildfires in Maui by providing insulin and other medicines to Maui that were prepositioned at Direct Relief's Santa Barbara, California warehouse as part of their Strategic Emergency Stockpile used for disaster needs as they arise. The Lilly Foundation pledged a match on all eligible Lilly employee donations to humanitarian response organizations responding to needs in Maui.
- **Earthquake in Morocco and Flooding in Libya** – The Lilly Foundation also pledged matches on eligible Lilly employee donations to humanitarian response organizations responding to needs in the areas impacted by these disasters in September 2023.
- **Israel-Hamas War** – Lilly committed \$500,000 to humanitarian response organizations in Israel at the start of the conflict. The Lilly Foundation has also pledged to match eligible Lilly employee donations to humanitarian response organizations serving people in Israel, Gaza and the impacted region up to an additional \$500,000.

*\*Includes value of Lilly medicines provided to separate charitable organizations that offer free Lilly medicines to qualifying patients. Amounts are reflective of wholesale acquisition cost for the applicable product (or equivalent).*

## Community Engagement Data



### 1,900+ employees

have volunteered in 20 countries since Connecting Hearts Abroad, Lilly's global service program, launched in 2011



### \$19 Million+

in Lilly Foundation grants to support Racial Justice Commitment since 2020



### \$12 Million

donated by Lilly employees and the Lilly Foundation for more than 475 United Way chapters



### \$68 Million

in disaster relief and humanitarian assistance in 2023<sup>1</sup>



### \$37.9 Million

cash donations in 2023, including \$27.2 million from the Lilly Foundation



### ~\$1.5 Billion

spent with approximately 1,600 small and/or diverse suppliers in 2023

<sup>1</sup> Includes value of medicines provided by Lilly and its affiliates to separate charitable organizations that offer free Lilly medicines to qualifying patients. Product donations valued at wholesale acquisition cost.



# Diversity, Equity & Inclusion

## Management Approach

At Lilly, we believe in the power of diversity, equity and inclusion (DEI) to fulfill our purpose of creating medicines that make life better for all people. By leveraging the diverse backgrounds of our more than 42,000 employees and driving actionable and measurable strategies to improve DEI, including diversity within our clinical trials, we can better deliver scientific breakthroughs.

Our long-standing values of integrity, excellence and respect for people foster an environment where team members are encouraged to speak up, share ideas and be fully engaged in our work. We are cultivating an inclusive culture that encourages all to feel safe being their true selves. To fulfill our purpose, we believe we must look at challenges from multiple viewpoints and understand the diverse experiences of the people who depend on our medicines.

When Lilly employees come to work each day, we bring different experiences, perspectives and traditions, and we are committed to welcoming, respecting and valuing those differences. Because people are our priority – and they power our purpose – we treat DEI like any other priority business objective. We set strategy to drive progress on attracting, developing, engaging and retaining a highly skilled and diverse workforce. We continually look at metrics to inform our approach to these efforts.

We conduct in-depth employee research that continues to yield important insights into employee-reported experiences. The research has uncovered factors that employees say may influence their ability to contribute to their fullest potential. This Employee Journeys research (explained further below) has led to a multifaceted People Strategy to improve our culture for all. Through our People Strategy, we have developed a comprehensive approach to DEI that strives to make working at Lilly better for everyone and helps deliver on our employee value proposition, “Be part of a team that cares about you and our shared purpose to make life better.”

### IN THIS SECTION

- › Leadership Commitment
- › DEI Progress
- › DEI Programs and Activities
- › Employee Resource Groups at Lilly
- › Clinical Trial Diversity
- › Racial Justice Commitment
- › DEI Data

## People Strategy

### Elevate leadership, our people systems and our culture



#### Additional People Strategy goals include:

- attract, develop, engage and retain diverse talent
- foster Lilly culture (Team Lilly)
- build leadership excellence
- enable critical capabilities
- embed diversity, equity and inclusion in all we do.

Our commitment to DEI extends beyond our employees and into our broader business, including patient safety, clinical trials, access to and development of our medicines, and engagement with small and/or diverse suppliers and partners.

## Leadership Commitment

The DEI commitment at Lilly includes purposeful corporate culture and ongoing data analyses to inform our approach. Our CEO and Executive Committee consistently set expectations for inclusive leadership and diversity in the workplace.

Our executive leadership integrates DEI within our human resources talent management organization. Lilly's executive vice president for human resources and diversity, a member of our Executive Committee, reports directly to our chair and CEO and is ultimately accountable for DEI at Lilly. Our chief DEI officer is a senior vice president reporting to the executive vice president for human resources and diversity and is also responsible for leading our talent management functions. This allows us to fully embed DEI into recruiting, developing, and retaining talent.

We began setting internal aspirational representation goals in 2017 as part of our efforts to address underrepresentation of women in management globally and minority group members in U.S. management roles and have since expanded this to our research career path and the upper levels of our professional career path.\* We monitor our progress over time against aspirational representation goals, which identify opportunities to grow the diversity of our candidate pools based on the external available talent market.

Senior leaders have long coached, mentored and sponsored employees. In 2023, our CEO sponsored leadership development programs for key talent, including employees from historically underrepresented groups. Members of our Executive Committee – our CEO and the executive vice presidents who directly report to our CEO – sponsored similar programs. Sponsorship efforts across various levels of the organization grew last year to just under 580 formal pairs. Mentoring relationships grew to more than 12,800 pairings because of a number of factors, including onboarding efforts, peer to peer, informal and formal mentoring programming.

\* A "minority group member" (MGM) is an individual who identifies with one or more of the following races or ethnicities: Black or African American, Hispanic or Latinx, Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, or Asian (each as defined by the U.S. Equal Employment Opportunity Commission (EEOC)).

## DEI Progress

Building a more inclusive culture requires sustained focus to drive action and the holistic integration of equitable strategies into our entire business. Leaders at Lilly are expected to lead more inclusively by valuing differences, recognizing and overcoming bias, and fostering a speak-up culture where all colleagues feel their ideas and contributions are welcome and valued. We gauge employee feedback through surveys and other mechanisms.

Our commitment to DEI is a core component of how we do business. Here are some examples of how this work has made a difference:

- Lilly has participated in key external surveys and trackers that evaluate our DEI efforts compared to other participating companies.
- Additionally, we tracked our progress, including:
  - Management-level progress: Between 2019 and 2023 the number of women in management roles globally increased from 45% to over 49%. Representation of minority group members in U.S. management positions also increased from 22% at the end of 2019 to 24% at the end of 2023.

- As of end of 2023, four members, or approximately 31%, of Lilly's 13-member Executive Committee were women, and three members were minority group members. Our 12-member board of directors range in age from 51 to 69 and include five women and five members who identify as minority group members.

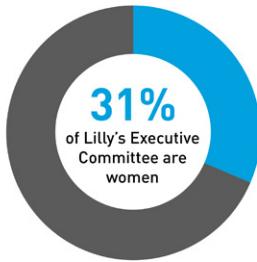
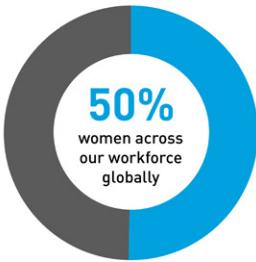
## DEI Highlights

Women in management roles globally

2019	2023
45%	49%

MGMs in U.S. management positions

2019	2023
22%	24%



[View Latest DEI Impact Report](#)

## 2023 DEI Recognitions

**Fair360** (formerly DiversityInc)

Top 50 Companies for Diversity: No. 5

Top Companies for Board of Directors: No. 1

Top Companies for Executive Women: No. 4

Top Companies for Supplier Diversity: No. 6

Top Companies for ESG: No. 10

**Forbes**

America's Best Companies for Women

**Ethisphere**

World's Most Ethical Companies

**Seramount**

Top Companies for Executive Women

Best Companies for Multicultural Women

**Disability: IN**

Disability Equity Index Best Place to Work for People with Disabilities – Perfect Score

**Human Rights Campaign Foundation**

Corporate Equality Index – Perfect Score

# DEI Programs and Activities

## Employee Journeys

Over the past eight years, our employee journeys research has yielded important insights about the experiences of women, Black American, Latinx, Asian and LGBTQ+ employees. In 2023, we conducted our sixth journey, this time for employees with disabilities and caregivers at Lilly. This journey uncovered priority solutions to enhance the employee experience. We have used the collective insights from our journey work to create education and awareness programs to help build cultural literacy and understanding about expectations for employees to feel psychologically safe and to help drive equity and inclusion.

Our employee journeys research has contributed to growing energy around DEI across Lilly, including a companywide network of DEI champions, functional DEI initiatives and DEI teams across business areas. The research continues to inform several internal initiatives, including Make It Safe to Thrive training and our psychological safety efforts, which are discussed below.

While there is always room to continue to improve, these initiatives are making an impact. In our 2023 employee Pulse surveys, we saw continued progress on key questions related to inclusion such as "I speak up during meetings without worrying about how it will impact my relationships or career" and "I feel comfortable sharing my personal passions, interests and activities with the people I work with."

## Supporting Employees

- **Explore Your Career** – We deliver on our talent strategy to treat all employees as a source of talent, identify future leaders and encourage the growth and development of all employees by providing a global framework of tools and resources for employees that aid in career development and advancement.

In addition, we invite eligible employees across all job paths, including employees in non-exempt roles, to participate in a global external assessment that can provide objective inputs for professional and leadership development supported through conversations with their manager. Since 2020, over 22,000 eligible employees have been invited to engage in education, and over 12,000 employees chose to complete the online assessment and receive developmental insights and coaching from their manager.

- **Access Lilly: Disability and Accessibility** – In 2023, Lilly maintained membership with [National Organization on Disability \(NOD\)](#) and continued our commitment to improve inclusive technology and behaviors through Access Lilly, which is designed to create awareness and training for all employees on inclusive technologies.
- **Access Lilly: Learning and Development** – We are focused on making Lilly's learning and development offerings more user friendly for everyone by removing barriers, focusing on universal design and updating design standards for training courses to improve accessibility globally. For example, we reviewed new courses for compatibility with assistive technologies such as screen readers and ensured transcripts were available for individuals with hearing impairments. Across Lilly, we intentionally design learning experiences and other communications technologies to be more inclusive and effective for everyone and make training available so that employees can learn how to use technology to make content they generate more accessible.
- **Access Lilly: Facilities** – We undertook various activities to enhance accessibility in our facilities globally, going above minimally-required legal standards, including benchmarking best practices and approaches for improving technology and building navigation. We conducted accessibility assessments at sites in the UK, Ireland and Italy and are investing to further improve accessibility for our employees and guests.

- **Access Lilly: Information Systems** – We incorporate universal design standards in our requirements for developing externally facing websites.
- **Unconscious Bias** – Lilly continues to offer a Conscious Inclusion program, developed to help employees identify and overcome unconscious biases and create an inclusive environment where all employees feel welcomed, heard, respected and valued.
- **Leadership Programs** – Emerge is a three-day program led by our CEO that is designed to develop historically underrepresented talent at Lilly. Multiple cohorts, including employees across a range of dimensions of difference, have participated in this enterprise-level program since 2018. Lilly also offers leadership development programs for women, multicultural talent and leaders at all levels. The newly launched Discover Leading@Lilly program is a curriculum designed for all new Lilly leaders globally to build inclusive leadership skills and foster a culture of psychological safety.

## Promoting Cultural Literacy

In 2023, Lilly hosted our second annual Global DEI conference, 'Level Up', with approximately 8,000 employees attending in person and virtually from 39 countries. The conference emphasized developing leadership capabilities, leveraging three learning paths: Bold Practices, Inspired Leadership and Investing in You. The conference brought together employees and leaders from across the company to embrace the rich dimensions of difference that exist across Team Lilly and to help them become advocates for equity and inclusion through a variety of interactive workshops and external speakers. We improved conference representation with attendees across all Lilly career paths and all job levels and provided more employees with local opportunities to participate, including Level Up International events in Australia, Germany, Japan and the UK.

## Make it Safe to Thrive Program

In response to insights from our employee journeys research, we developed Make it Safe to Thrive, an education and awareness program to build cultural literacy and understanding about expectations for employees to feel psychologically safe.

More than 31,000 employees have participated in Make It Safe to Thrive training to gain greater awareness of how unconscious bias, microaggressions and the impact of current events can potentially harm team cohesiveness and compromise employee engagement. Version 3.0 of Make It Safe to Thrive was implemented in 2023 and focused on the importance of empathy, equity and belonging in the workplace for employees to thrive in challenging times.

## Supporting DEI Goals through Technology Transformation

Lilly's Human Capital Management system is core to DEI and a key component of our People Strategy to modernize HR technology, processes and service delivery to enhance employee experience and help drive critical outcomes for the business. Improving our operational foundations supports our company objectives by streamlining work, improving transparency, enabling leaders and increasing employee engagement. Specific outcomes from the implementation of the system include:

- Open job posting for most roles filled across the company
- Ability for employees to designate interest in specific job profiles and receive notification when these jobs are posted
- Ability for U.S. employees to easily self-identify at any time in the areas of gender, race, ethnicity, veteran status, disability, sexual orientation and gender identity

## Employee Resource Groups at Lilly

Employee resource groups (ERGs) are an important component of developing talent at Lilly. Our ERGs represent the interests of diverse groups including women, minority group members, LGBTQ+ individuals, veterans and people with disabilities. ERGs are open to all employees and offer them opportunities to build relationships, connect with senior leaders and engage with local communities – all while surfacing insights and perspectives that help strengthen our company and help drive a more inclusive environment where all employees feel seen, connected, supported and proud to be part of Team Lilly.

Thousands of employees worldwide belong to one or more of our Lilly ERGs. Many geographies also have local organizations, and U.S. and international ERGs work together wherever possible. In the U.S., most of our 11 headquarter-based ERGs also have associated field-based and ally organizations. Members of our Executive Committee provide executive sponsorship for each ERG.

## Employee Resource Groups

### U.S. Based

- Africa, Middle East and Central Asia Network (AMECA)
- Black Employees at Lilly (BE@Lilly)
- Chinese Culture Network (CCN)
- EnAble US
- Early Career Professionals (ECP)
- Pride
- Japan International Leadership Network (JILN)
- Lilly India Network (LIN)
- Organization of Latinx at Lilly (OLA)
- Veterans Leadership Network (VLN)
- Women's Initiative for Leading at Lilly (WILL)

### International

- International EnAble
- International LGBTQ+ Allies
- Gender Inclusion Network-Women's Initiative [GIN WILL]

## 2023 Highlights of Employee Resource Groups

- **Africa, Middle East and Central Asia Network (AMECA)** – Historically, AMECA represented the interests of employees from Africa, the Middle East and Central Asia. AMECA has grown from an affinity group to an ERG, representing diverse geographies and cultures. The group's mission is to create a global village by embracing our cultural differences and sharing connections that help build a courageous, more inclusive organization.
- **Black Employees at Lilly (BE@Lilly)** – BE@Lilly engaged employees through several events in 2023, supporting the group's mission that Black employees feel heard, safe and valued while advancing in their careers. In recognition of Black History Month BE@Lilly collaborated with internal speakers, other ERGs and the DEI office, BE@Lilly hosted sessions on innovation and allyship highlighting the accomplishments of our employees. The ERG supports Lilly's Racial Justice Commitment, which aims to help combat racial inequity and social injustice and encourages its members to give through Lilly's annual United Way campaign and volunteer with United Way agencies throughout the year. The ERG offers professional development programs for Black employees and leaders that focus on topics such as career planning and mentoring. BE@Lilly also offers programming to address the needs of Black employees who work remotely across the United States.
- **Chinese Culture Network (CCN)** – CCN continued to increase awareness of and provide ways to enhance the experiences of employees of Chinese cultural heritage at Lilly. CCN influences Lilly's multicultural landscape from both a Chinese and broader Asian Pacific American perspective, where all are welcome to grow and unleash potential in themselves and in others. CCN works to help its members develop into leaders who are equipped to impact their community at work and at home. It offers leadership development programs, enrichment events and external community partnerships. Through the Lunar New Year Gala, as well as Asian Pacific American Heritage Month and the Mid-Autumn Mooncake Festival, the ERG underscores the importance of cultural stewardship. Responding to world events and employee experiences, CCN sponsored Bystander Intervention Training for all interested employees, which provides tools and tactics to use in the event of harassment or a hate crime. The ERG continues to expand its influence by building

new chapters at Lilly sites throughout the U.S. and partnering with global affiliates.

- **EnAble** represents the interests of Lilly employees with apparent and non-apparent disabilities and those who are caregivers. EnAble's vision is to create a disability confident culture by promoting awareness, providing support and removing barriers. Lilly conducted Employee Journeys research for employees with disabilities and caregivers in 2023 and communicated insights internally in the first half of 2024.

Lilly was one of the first medicine companies to join the Valuable 500, a global movement to put disability inclusion on the business leadership agenda. EnAble has initiated an enterprise-wide initiative called Access Lilly that promotes barrier-free experiences for employees and customers in both physical and digital environments. The Accessibility Champions Community was formed and has more than 420 trained champions to help embed accessibility best practices into the way we work.

In 2021, Lilly joined other organizations and signed the Business Disability Forum Charter, where we pledged to ensure people living with a disability or who acquire a disability can apply for jobs, be employed by and do business with Lilly. In 2022, we received the Zero Project Award, which is awarded to organizations demonstrating exceptional work to improve accessibility.

- **Early Career Professionals (ECP)** – ECP focuses on creating an inclusive culture where employees, including those who are new to Lilly, the workforce, the industry or a role, feel connected, engaged and equipped to succeed professionally. The group consists of more than 1,400 members who work to promote community, professional and personal development, and focuses on bridging gaps in the business, workplace and community.
- **Pride** – In 2023, the DEI Office, International Pride, Corporate Pride and Field Pride continued building on the learnings from the LGBTQ+ Employee Journey. The ERG leveraged those learnings by building on the foundation of psychological safety for LGBTQ+ employees and their active allies and committing to providing visibility and support both at Lilly and in the communities we serve. Pride also hosted several well-attended events, including quarterly Pride and Ally Lives, to strategically drive LGBTQ+ engagement, increase allyship and educate employees on topics important to the LGBTQ+ community. Pride supported two important initiatives over the past year. First, the introduction of technology that allows employees in

the U.S. and Puerto Rico to self-identify their sexual orientation, gender identity and appropriate pronouns to better reflect and represent these dimensions of difference. Second, ERG members partnered with the DEI Office to build and rollout a computer-based training for first-line supervisors to provide culturally informed education and build a more inclusive culture.

- **International LGBTQ+ Allies** – This group is part of Lilly's Pride network and promotes equal experience, treatment and safety for Lesbian, Gay, Bisexual, Transgender and Queer or Questioning people everywhere Lilly operates. The scope of the group includes all countries outside of the U.S., and the group works to enable LGBTQ+ people to bring their authentic selves to work and to help them feel valued and included everywhere in the world. The ERG has worked to expand global awareness and education by hosting discussions of the LGBTQ+ journey across multiple international hubs, offering a podcast about allyship and an internal Viva Engage page where allies can engage in a safe space to learn and ask questions about LGBTQ+ topics.
- **Japan International Leadership Network (JILN)** – JILN educates employees and leaders on the value of the Japanese market and the capabilities Japanese employees bring to the broader Lilly community. JILN hosts an annual Japan Day to focus on the growing Japanese market and hosts multiple lunch-and-learns to create cultural awareness and educate employees on how to create an inclusive workplace.
- **Lilly India Network (LIN)** – In 2023, LIN hosted Lilly's annual global Diwali celebration with more than 1,000 attendees. The group also sponsored a speaking series, a panel to discuss gender diversity in South Asia with about 100 attendees globally. LIN membership expanded globally last year through increased partnerships with cultural and cross-cultural engagements. LIN collaborated with CCN, AMECA and the Asian American Field Network affinity group to host and celebrate Asian Pacific American Heritage Month and hosted multiple mixers to create a sense of community among volunteers.
- **Organization of Latinx at Lilly (OLA)** – OLA's focus in 2023 was empowerment of the Latinx workforce to own their career development and contribute to creating a best-in-class employee experience at Lilly. To do this OLA launched a new program that provided 1:1 mentorship to participants, expanded reach of the Latinx Mentorship Circles and hosted several workshops and events on career development and leadership topics as well as networking events. In addition, OLA celebrated and enhanced cultural awareness of the rich diversity within the Latinx

community through multiple Hispanic Heritage Month events and partnered closely with external community organizations providing opportunities for volunteering and allowing Lilly employees to impact the communities where they live.

- **Veterans Leadership Network (VLN)** – VLN successfully grew its membership by 38% to more than 1,000 members and held events with record attendance in 2023, including the annual Army vs. Navy flag football game and tailgate. The network continues to partner with Lilly's recruitment and retention teams to improve veteran representation at the company and raise awareness of the unique set of skills and value that veterans can bring to Lilly. This partnership includes supporting the Department of Defense SkillBridge Internship Program to help participating service members transition from the military to civilian work. VLN hosted its annual Toys for Tots drive and multiple volunteer events to provide support to homeless veterans through our partnership with the Hoosier Veterans Assistance Foundation. The network grew its presence at Lilly's Research Triangle Park location in North Carolina and established new groups at Lilly facilities in Colorado and Philadelphia.
- **Women's Initiative for Leading at Lilly (WILL)** – WILL works to create advocacy for gender equity at Lilly by empowering women and men through training, networking, and mentorship to elevate women's voices and perspectives in the business. WILL has more than 4,500 employee members. WILL engages their community through external partnerships with Lean In, Girls Inc., Women of Color in Pharma, Healthcare Businesswomen's Association and Integrating Women Leaders. This year, the community benefited from efforts such as:
  - Men as Allies mentoring
  - Greater connection with other ERGs while underscoring intersectionality
  - Engagements in difficult conversations about external events that impact our employees to ensure voices are heard, benefits are understood and that the company understands the feelings of impacted employees
  - Workshops on the realities of women in the workforce at Lilly's signature DEI event, Level Up.

- **GIN WILL International** – The Gender Inclusion Network, Women's Initiative Leading at Lilly, known as GIN WILL International, sponsored a team of women across global hubs at the Integrating Women Leadership Conference that hosts speakers to share best practices on how to improve female representation in leadership. GIN WILL works to establish an international presence to focus on allyship through initiatives like the Strategic Mentorship Program. The ERG also launched a podcast series that featured different Lilly leaders and employees around the world sharing experiences and learnings on how they are navigating both personal and professional challenges.

## Our Approach to Talent Acquisition

We believe cultivating diverse talent starts with the talent acquisition process and continues through the training and development of people with wide-ranging backgrounds and experiences. Lilly has a history of fostering diverse representation in our recruiting practices with a focus on opportunities to expand our pool of candidates to reach more candidates across a variety of dimensions, including but not limited to race, religion, sexual orientation, gender identity, national origin, veteran status, disability status, education and experience.

As part of our efforts to build a diverse recruitment pipeline, we have:

- Established new recruiting relationships and partnerships with institutions (including Historically Black Colleges and Universities) such as Morehouse School of Medicine, Charles R. Drew University of Medicine and Science and Purdue University.
- Implemented a number of programs through Lilly Research Labs, including our Accelerated R&D leadership program (bringing in MD/MBA and Ph.D./MBA talent from highly regarded business schools); postdoctoral scientist program; and Medicines Innovation Hub Talent Development Academy, focused on early career scientists, potential leaders and experienced scientists for rotations within our organization.
- Partnered with community organizations to identify first- and second-year college students for participation in our Summer Experience Program, and provided high school students with opportunities to explore their interests in information technology

through our Information and Digital Solutions High School Program.

- Worked with the Department of Defense SkillBridge program, which provides service members with opportunities to gain valuable civilian work experience during the last 180 days of service.
- Launched multiple apprenticeship programs, including under a broader initiative called Skills First, which aims to hire and upskill individuals without four-year degrees, leveraging relationships with Ivy Tech Community College, Martin University, Be Nimble and the Indianapolis Urban League.

## Clinical Trial Diversity

Every time someone takes a medicine – even if it's over the counter – they are benefitting from the results of a clinical trial, a scientific study where researchers apply rigorous testing to ensure the safety and effectiveness of a medicine.

Many factors impact how someone will respond to a treatment, including their genetic background, race and/or ethnicity, gender, lifestyle and physical environment. To ensure that medicines are safe and effective for the patients who bear the burden of disease, it is critical that the patient population in clinical trials reflect the prevalence of the disease in the community. At Lilly, inclusive research goes beyond meeting regulatory requirements: it is a strategic business imperative that allows us to have greater impact in improving equitable health outcomes. Unfortunately, clinical trials have traditionally lacked inclusion of historically underrepresented populations. According to the [FDA's 2020 Drug Trials Snapshot](#) report, the 53 approved novel drugs that year included 32,000 clinical trial participants. Seventy-five percent of those participants were White, but just 8% Black/African American, 6% Asian and 11% Hispanic/Latino. By comparison in 2020, the U.S. population was 62% White, 13% Black, 7% Asian, and 19% Hispanic/Latino.

To increase trial accessibility to more patients, Lilly established clear, measurable goals to increase diversity in our trials, which helps us better understand more fully the comprehensive safety and efficacy of the medicines we develop for the patients who will be taking them.

These goals include:

- Strategically designing trials to enroll participants who match the prevalence of the disease in the community.

- Intentionally selecting a diverse range of clinical investigators in underrepresented patient geographies.
- Ensuring tailored reach through elevating the patient's voice, education activities and collaboration efforts.
- Increasing diverse representation through education, partnerships and collaboration.

## Community-Based Research

In order to fulfill Lilly's mission of increasing access to medicines for all patients and participants, Lilly continues to identify and implement new ways to conduct community-based research, known as decentralized clinical trials.

Time off work, travel to the site and other inconveniences of a typical clinical trial schedule can be a significant deterrent to patients deciding whether to participate. Community-based research uses new services and technology to reduce the barriers these patients face. This includes replacing some in-person appointments with telehealth visits, offering local or mobile service providers for blood tests or imaging scans, and using novel data collection methods such as electronic or wearable devices to capture results.

In ongoing studies we are leveraging several community-based research capabilities to increase access of diverse patient populations and enable patients to stay within their communities while participating in high quality clinical research, such as:

- community screening events
- telemedicine
- micro sampling
- digital and community-based recruitment and screening
- eConsent
- utilization of local pharmacies, imaging or labs.

Lilly continues to invest in the expansion and creation of new capabilities based on learnings from ongoing clinical trials and emerging technology. By engaging more patients in research studies through additional accessibility and convenience, we expect to increase access to potential new treatments and expand the reach

of clinical trials to people who may not have participated in the past, all while maintaining the integrity and quality of data generated from clinical trials.

## Clinical Trials Collaboration with Community Focused Research Organization

Through Lilly's funding, the [Community Focused Research Organization](#) (CFRO), in collaboration with the Network for Health Innovation (NEHI), continued efforts to enhance diversity within clinical trials and actively involve underrepresented and minority communities in research. The 30 participating multisector organizations in Indiana, including representation from academia, public health, health systems, health plans, community, faith-based groups and Lilly, successfully conducted education and training programs within local communities. These programs empowered community leaders to be reliable messengers on access and optionality of clinical trials and surfaced insights to specific community barriers for the CFRO's consideration. The CFRO is extracting insights to finalize recommendations and guide future strategies.

## Racial Justice Commitment

In 2020, Lilly and the [Lilly Foundation](#) launched the Racial Justice Commitment to support effective solutions to racial inequality and social injustice. Together, our work and investments focus on improving the education, health, and professional and social mobility outcomes for Black Americans and historically marginalized groups. We've committed to building an ecosystem of equity for the benefit of our people and patients. The Racial Justice Commitment aims to drive change across five areas: people development, health equity, social impact, diverse suppliers and family-sustaining jobs.

## Racial Justice Commitment Progress

Since launching the effort, we have made important progress:

### Internal People Development

- Building on our robust recruitment pipeline with many Historically Black Colleges and Universities (HBCUs), we have expanded our outreach, establishing two new recruiting relationships with Morehouse School of Medicine and Charles R. Drew University of Medicine and Science. In 2023, we hosted our second HBCU Day at Lilly Corporate Center in Indianapolis. Forty students and two faculty members from six HBCUs,



where Lilly has not been as active in recruiting in the past, participated. Lilly also launched Propel in 2022, a development program offered two times per year, to connect Lilly employees from historically underrepresented groups to the company's purpose and equip them with the tools they need to pursue their career goals. More than 50 employees attended in 2023.

## Health Equity

- In 2021, Lilly announced our commitment of \$5 million over five years to Direct Relief's Fund for Health Equity. Through this fund, U.S. health centers, free and charitable clinics, and other community-based organizations and educational institutions are offered the opportunity to apply for grants from Direct Relief of up to \$250,000 annually. Direct Relief will make grants aimed at strengthening the capacity of recipient organizations to provide high-quality, culturally appropriate health care while focusing on social determinants of health for the underserved populations they serve. Lilly's funding has been distributed to twelve awardees to date.
- In 2018, Lilly announced a \$7 million commitment to Diabetes Impact Project – Indianapolis Neighborhoods (DIP-IN) which takes a holistic approach to improving diabetes prevention and control in three Indianapolis communities. These urban communities of color where there is a higher prevalence of type 2 diabetes were disproportionately impacted by the COVID-19 pandemic. In 2021, to help address these health inequities, Lilly announced support for the expansion

of DIP-IN, committing an additional \$5 million to the project led by Indiana University Richard M Fairbanks School of Public Health at IU Indianapolis, along with other partners.

## Social Impact

- In 2020, Lilly committed 25,000 hours of volunteer service over five years to support organizations and efforts that aim to decrease the burden of racial injustice and its effects on communities of color. In 2022, Lilly employees helped complete that commitment, two years ahead of schedule. With the pledge goal met, Lilly will continue to strive to make life better for communities of color.
- Since 2020, the Lilly Foundation has awarded more than \$19 million to combat racial injustice and inequity in Indianapolis. Funding to date has supported the Indianapolis Public Schools Foundation for education initiatives aimed at underserved students. Grants also supported the launch of the Indianapolis Urban League Entrepreneurship Center to assist minority entrepreneurs with developing, sustaining and growing small businesses in Central Indiana and surrounding counties; the Central Indiana Corporate Partnership Foundation to support the management of Business Equity for Indy; and to aid Ascend Indiana in implementing strategies to improve employment opportunities for communities of color.
- Lilly aspires to advance economic opportunity for underrepresented innovators by investing in first-time venture capital partners, with an emphasis on funds that invest in health care, health care-tech, or Midwest innovation (industry agnostic). Since 2020, Lilly has committed \$110 million to venture capital firms supporting Black, Latinx, Women, Veteran, Disabled and LGBTQ+ startups. An additional \$30 million has been approved for commitment to venture capital funds in 2024. These commitments include an investment in Black Opal Ventures, a fund investing at the intersection of health care and technology to improve health outcomes. Additional commitments include funding to SteelSky Ventures, a fund focused on women's health innovation, particularly serving diverse patient populations, and Capitalize VC, a fund investing in underrepresented founders in the Midwest.
- Lilly continues to engage with diverse financial institutions through its treasury operations, including using diverse brokers/dealers for the company's \$4 billion debt issuance in 2023, placing \$365 million in bond investments with Black-, Latinx- and veteran-

owned asset managers, and depositing \$10 million with minority depository institutions (MDIs).

- In 2022, Lilly [committed](#) \$42.5 million to Purdue University over 10 years to fund pharmaceutical manufacturing scholarships for incoming undergraduate students, offering at least 75 students each year full tuition with a guaranteed co-op at Lilly and an opportunity to interact with company leaders. With the intent to create a diverse pool of recipients from a broad range of backgrounds, priority is given to students who (1) demonstrate that they have overcome obstacles in their lives or in their educational access, such as socioeconomic or educational disadvantage or (2) are first generation in their family to attend college.
- In April 2023, Lilly announced [a \\$15 million commitment](#) over five years for the Lilly Scholars program in partnership with the Ivy Tech Foundation. This program will provide scholarships and experiential learning opportunities at Ivy Tech Community College for high school and college students from a variety of backgrounds who intend to pursue careers in pharmaceutical manufacturing. The program also supports a new pathway for high school students, which allows them to receive a college certificate in pharmaceutical manufacturing or medical device quality upon graduation.

### Diverse Suppliers

- Lilly spent nearly \$1.5 billion with around 1,600 small and/or diverse suppliers in 2023. We engaged partners such as Indy Chambers, National Minority Supplier Development Council and their regional affiliates in Indianapolis, Puerto Rico and North Carolina to support the advancement of underrepresented businesses. Lilly also continued to mentor underrepresented suppliers through the Lilly Mentor Protégé program and participated in an “Elevate Black” matchmaking program with Black suppliers in conjunction with Diversity Alliance for Science. Read more about our [supplier diversity](#) efforts.

### Family-Sustaining Jobs

- Lilly launched multiple apprenticeship programs under a broader initiative called Skills First at Lilly, which aims to hire and upskill individuals without four-year degrees – a population that disproportionately consists of Black Americans and other historically underrepresented minorities. Lilly joined [OneTen](#), an organization that will combine the power of other committed American companies to hire, promote and advance skilled talent who do not have a four-year degree into family-sustaining careers over the

next ten years. We also have local partnerships for our Skills First recruiting efforts, including Ivy Tech, Martin University, Be Nimble and the Indianapolis Urban League. Martin University is Indiana's only Predominantly Black Institution of Higher Education.

- Lilly has launched multiple apprentice programs to build the skills necessary to pursue a career at Lilly:
  - The [Professional Apprenticeship Program](#) provides individuals without a four-year college degree access to roles at Lilly that they may not have had through traditional recruiting means. There are apprenticeship opportunities available in various functions: human resources, marketing, research and development, and beyond.
  - The Technical Pathways Program Apprenticeship Program was launched in October 2022 in partnership with TechPoint and New Apprenticeship. This program focuses on developing information technology skills through on-the-job training, mentorship and coaching area various IT capabilities, from operations to data and beyond.
  - Lilly also developed and launched the nationally registered Department of Labor Craft Apprenticeship Program, which will provide skill-based, on-the-job training for people while they earn a technical certification or associates degree at Ivy Tech Community College in Indiana. Lilly job roles that could be filled through students participating in this program include positions at our manufacturing sites such as maintenance mechanics, HVAC mechanics, instrument technicians and welders.
  - Together, more than 130 individuals have participated in these programs, and we anticipate expanding the offerings to more in the future.

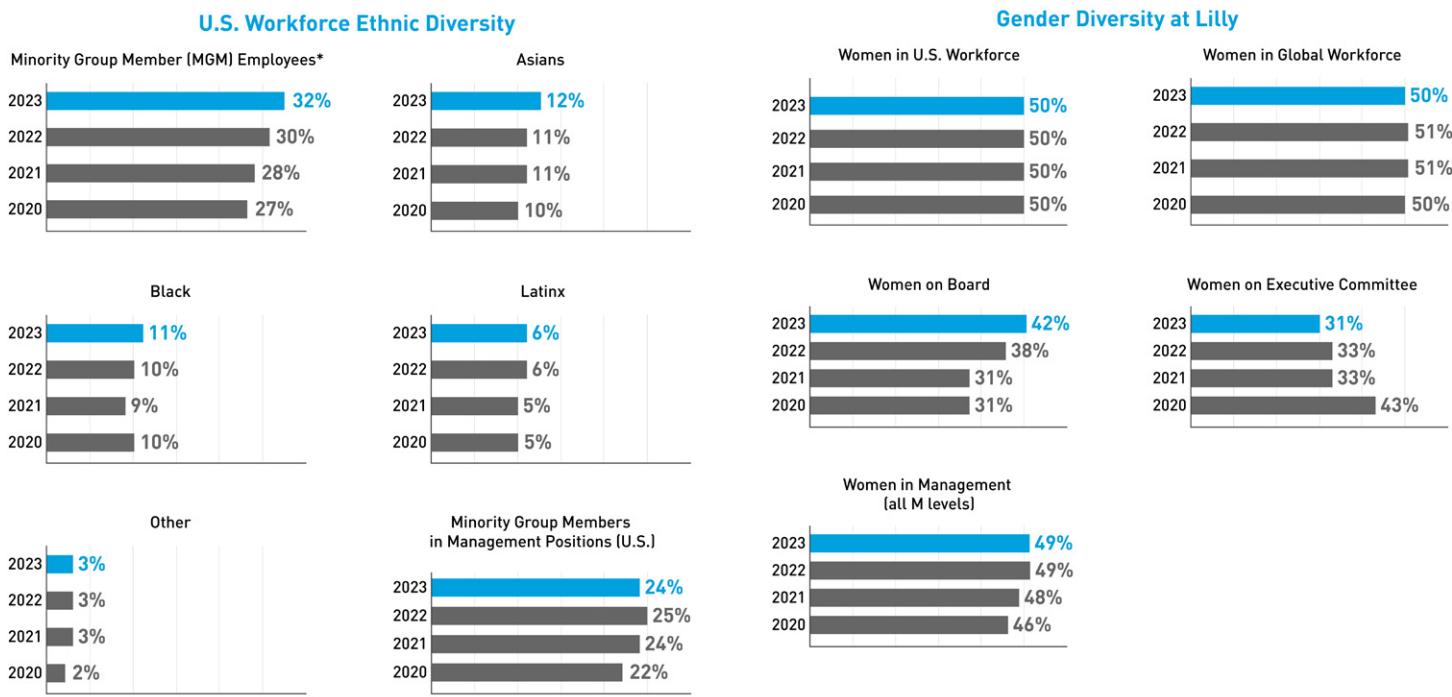
# DEI Data

See our [2023 EEO-1 data](#).

## 2023 Data

### Board Diversity

As of May 15, 2023, the company's board composition includes five women and five minority group members on our 12-person board of directors.



\*Numbers may not add due to rounding.

## U.S Workforce Ethnic Diversity

	2020	2021	2022	2023
Minority Group Member Employees <sup>1,2</sup>	27%	28%	30%	32%
Asians	10%	11%	11%	12%
Black	10%	9%	10%	11%
Latinx	5%	5%	6%	6%
Other	2%	3%	3%	3%

1. Historical numbers may not add due to rounding.

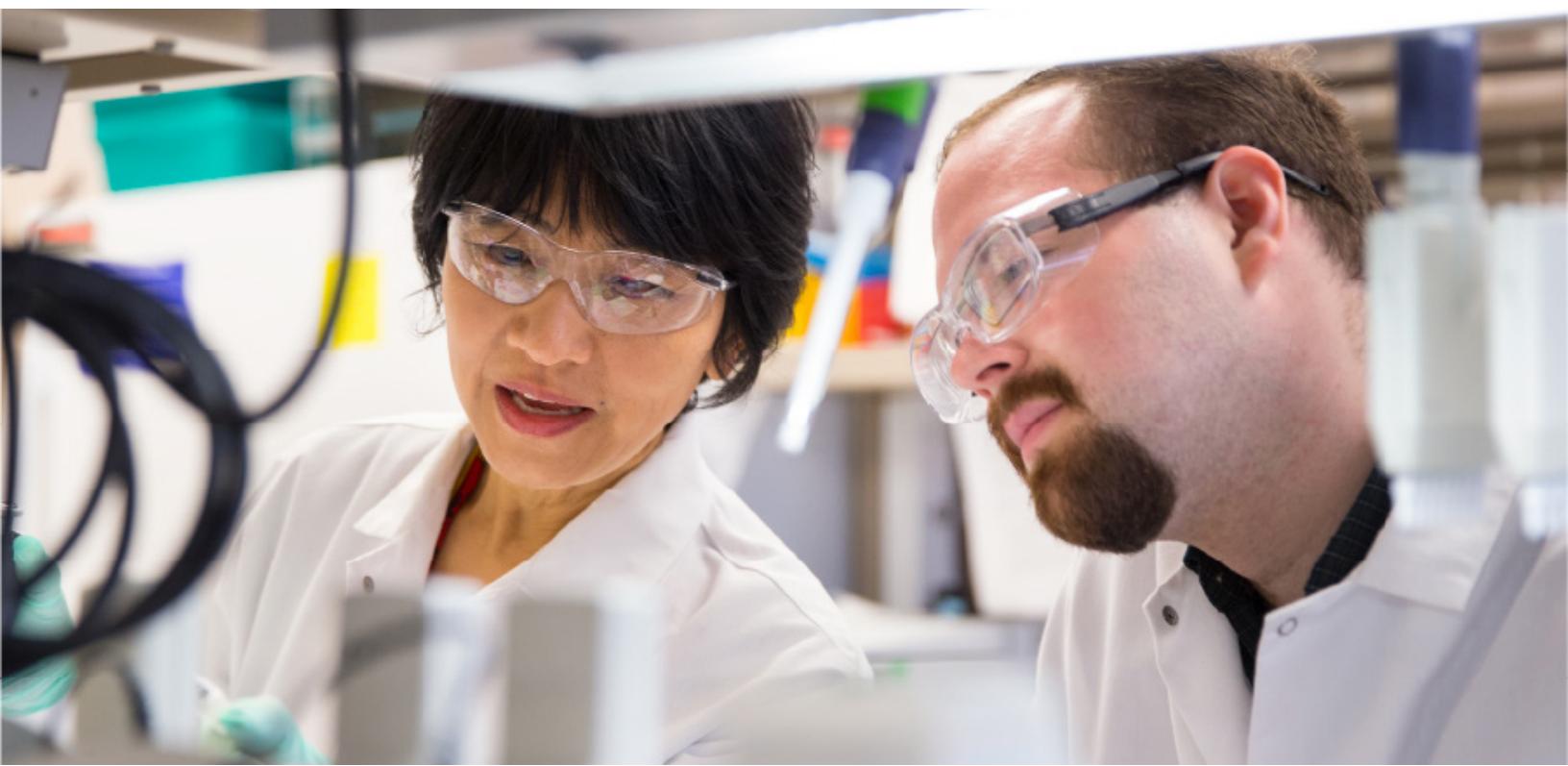
2. In 2023, approximately 2% of the population declined to disclose.

## Minority Group Members in Management Positions (U.S.)

	2020	2021	2022	2023
Minority Group Members in Management Positions (U.S.)	22%	24%	25%	24%

# Gender Diversity at Lilly

	2020	2021	2022	2023
Women on Board	31%	31%	38%	42%
Women on Executive Committee	43%	33%	33%	31%
Women in Management (all M levels)	46%	48%	49%	49%
Women in Global Workforce	50%	51%	51%	50%
Women in U.S. Workforce	50%	50%	50%	50%



# Employee Experience

## SASB Disclosures Covered:

### [Employee Recruitment, Development & Retention](#)

(HC-BP-330a.1; HC-BP-330a.2)

## Management Approach

At Lilly, we make life better for people around the world – and it starts with our employees. Through our diverse, comprehensive pay and benefits programs – many at the forefront of the marketplace – as well as enrichment through learning and development opportunities, we empower our colleagues to live their best lives. We also strive to create a companywide culture where best-in-class safety practices support the well-being of our workforce and the communities where we operate. In caring for employees, we power our purpose.

## IN THIS SECTION

- › Employee Well-Being
- › Pay & Benefits
- › Learning & Development
- › Employee Engagement
- › Employee Safety
- › Lilly's Safety Progress & Performance Data

# Employee Well-Being

We take a broad view of well-being anchored in providing support for mental and physical health, financial knowledge and security, as well as a culture of rich connections and purpose to inspire all employees to be their best. While the local environment shapes program offerings in each of our affiliate locations around the world, our well-being framework is global. A global steering team, sponsored by Lilly leadership, actively guides our well-being strategy.

## Global Well-Being Framework



## Pay & Benefits

Our pay and benefits programs are designed to attract and retain a diverse, highly motivated workforce while reinforcing our care for employees and shared purpose to make life better. Lilly's pay programs reward employee contributions and overall business success, and our benefit programs provide the flexibility to meet employees where they are in life and support overall well-being. We strive to deliver pay and benefits with a global mindset, differentiating programs where local business needs or markets necessitate.

### Health

Our ability to deliver for patients begins with the good health of our employees and those they go home to each day. Through our robust suite of benefits, we support employees whether they are seeking to stay well, get well or manage a serious illness. In the U.S., we offer comprehensive medical, prescription drug, dental and vision benefits as well as annual financial contributions

to health accounts to assist with medical expenses. Our employees have coverage and concierge services for orthopedic, cardiovascular, fertility and family-building care through best-in-class partnerships. We're proud to also offer health care education and care navigation for our LGBTQ+ community. We make getting care a bit easier through our telehealth benefits and onsite health clinics at various Lilly sites that offer care and treatment of work-related illness and injuries, immunizations, acute personal health care needs, emergency and preventive care. Some clinic locations also host phlebotomy, vision care, dental care, health coaching and mobile mammography.

U.S. employees are encouraged to stay active with fitness centers at certain locations, on-demand fitness classes for getting in a work-out at home as well as membership to 10,000 fitness centers nationwide. Employees in the U.S. and United Kingdom have access to myBest Life,

a holistic well-being program to support personal goal setting and engagement for a healthier life. Finally, as part of our commitment toward a global standard of care, we have removed certain barriers to coverage in many global markets including health and welfare coverage for same sex partners, newborns, mental health and sexually transmitted diseases.

Health, above all, includes mental health. When life gets challenging for our employees, we are committed to help. Over 70% of our global workforce has access to employee assistance benefits and employees and family members in the U.S. can seek care with Lyra Health, a leading national provider of mental health services, with up to ten therapy sessions per year at no additional cost. Our global EnAble employee resource group, sponsored by our Chief Information Officer and driven by a leadership committee, seeks to create an inclusive environment by removing barriers for those living with mental and physical disabilities. This group has led efforts to establish broad family support networks to create a safe space for employees including Caregiver Connect for those caring for loved ones with physical or mental disabilities, The Village for those who are caring for children or adolescents with mental health needs, and FALO which provides peer support for those who have loved ones struggling with addiction and substance misuse. Our Mental Health Advocacy training program teaches employees and supervisors the signs of stress, emotional distress, and suicide risk and how to care for one another in these scenarios.

### Money

We understand the importance of taking care of one's finances, whether an employee is just starting their career or on their way to retirement. Our pay, equity and retirement programs are designed to support our employees in reaching their financial goals.

Our competitive pay programs are designed to support our employees with everyday financial needs and enjoying life outside the workplace. We are committed to pay equity for all employees. For more than 20 years, we have regularly conducted pay equity studies of our workforce in the U.S. and have more recently started conducting studies of our workforce outside of the U.S. While infrequent, we have made pay adjustments as warranted based on these analyses. We believe that pay equity is critical to our success in supporting a global, diverse and inclusive workforce.

In addition to annual incentive programs, Lilly Shares 2023 was a special global equity grant to unite employees as owners and to recognize the important role each employee plays in making life better for people around

the world. In many countries we also invest in benefits – pensions, savings and/or health care – to support our employees in their retirement years as well as life and disability benefits for peace of mind and financial protection. Employees in the U.S. also have access to \$10,000 in annual education and tuition assistance.

We also provide support to help employees feel educated and confident in their financial choices. For example, Lilly employees in Ireland and the UK have access to a financial education platform that provides financial awareness along with a check-up and guidance for next steps. In the U.S., employees can meet with a financial advisor – at no out-of-pocket cost – on topics such as budgeting, debt management and retirement planning.

### ***Life***

Life is filled with moments that matter and we offer support to employees to help balance the personal and professional aspects of life. While our employee benefits programs vary around the world, these may include flexible work arrangements, onsite conveniences and time off to disconnect.

U.S. employees have three to six weeks of paid vacation and the option to trade or purchase additional days plus up to eighteen paid holidays and company shutdown days. In times of injury and illness, employees have paid time off and leave options as well as 64 hours of caregiver time off. New mothers, fathers, domestic partners, adoptive and foster parents may take 10 weeks of paid time off and up to 10 weeks of unpaid time off in addition to eight weeks of paid maternity for birth mothers. We appreciate the additional responsibilities of our working parents by offering a 10-week summer camp, 10 days of subsidized back-up care services and two convenient child development centers at our Indianapolis headquarters.

Our global recognition program, Inspire, allows teammates to recognize one another regardless of their work location through supervisor-to-employee, peer-to-peer and service-based recognition. Employees may congratulate coworkers' successes through the companywide recognition feed, providing a consistent and meaningful recognition experience for all employees.

# Learning & Development

We invest in employees' growth by providing resources for career and leadership development. We want every individual at Lilly to reach their full potential, which is why we offer tools and resources to support them on their journey and help them contribute at their highest level to fulfill our company's purpose.

Every employee has an individually tailored learning plan. We offer the specialized training our employees need to do their jobs in the highly regulated pharmaceutical industry. We also provide training about corporate policies, such as those contained in our code of business conduct. And we work to nurture a culture of lifelong learning by encouraging employees to seek ongoing education and growth experiences to help them build rewarding careers.

Lilly's work encompasses business areas and functions spanning discovery, development, manufacturing, marketing and global services. With broad technical and support functions, we offer employees opportunities to grow, develop their careers and pursue internal positions across areas of interest and geographies. We offer internal learning and development programs and resources to help employees navigate these opportunities, identify career objectives and acquire the right skills in a complex, dynamic environment.

These "upskilling" and "reskilling" offerings are often a win-win for employees and the company: employees can pursue exciting new skills and opportunities, and the company benefits from retaining engaged employees who are already knowledgeable about Lilly and our industry.

## Learning and Development Highlights



### New to Lilly

- DISCOVER 12-Month Onboarding Program
- Individual Learning Plan



### Employee Development

- Explore Your Career
- Elevate On-Demand Platform
- Instructor-Led Classes
- Lilly Data & Analytics Institute
- Lilly U: LinkedIn Learning and On-Demand Resources
- Propel Employee Development Program
- Tuition Assistance



### Leadership Development

- Discover Leading@Lilly Program
- Emerge Program for Leaders
- Global Leadership Development Program
- Instructor-Led Classes
- Minority Leader Retreats
- Multicultural Leadership Development Program
- Take the Lead Webinar Series
- REACH Leadership Development Programs
- Women in Leadership

## Learning & Development Programs & Tools

### Career Development and On-Demand Learning

Explore Your Career is Lilly's global framework and suite of resources designed to help employees grow and lead every day – and to help engage and retain talent. Explore Your Career provides the opportunity for employees to "raise their hand" to receive a talent assessment, which provides development suggestions for deepening skills and taking on new or expanded leadership roles. Explore Your Career contains tools and guidance for employees and their managers to assess career interests, map career plans and develop capabilities. More than 14,000 employees have engaged in the program since its launch, signaling a healthy interest in career development. The program also shows encouraging results at the enterprise level, including improved engagement scores, improved retention rates for those who participate and positive perceptions of career development and investment.

Lilly U, which features the online LinkedIn Learning platform, is another opportunity extended to all employees. Lilly employees are curious innovators and love to learn. LinkedIn Learning courses are taught by real-world practitioners around the globe who inspire and engage learners. Courses are available in ten languages, and they are widely accessible to Lilly's global team of employees in an on-demand, learn-anywhere and -anytime format. The platform provides relevant, contemporary learning opportunities across business, creative and technology topics, including AI, which is a development topic of increasing interest for many employees. Additional live classes and programming are available for employees around the globe to develop a variety of skills, including self-leadership, insights to personal effectiveness and effective communication. New in 2023, Lilly U provided a global, all-employee simulcast event featuring a well-known external researcher and author to help employees learn how to increase their impact and continue building their skills.

### Data Analytics & Technology

Lilly has prioritized strengthening our data skills and capabilities. The Lilly Data and Analytics Institute was launched to upskill employees and leaders across the company. Through foundational courses, custom scenario-based simulations and hands-on tool-based programs, Lilly is deepening its culture of data-driven decision making and equipping employees and leaders alike to tap more deeply into the power of analytics.

Lilly also advances employee development, inclusion and engagement through a global virtual platform, ELEVATE, designed to help all employees learn how to leverage technology to build connections and performance across the Lilly enterprise. Specifically, ELEVATE programming demonstrates how to use available tools and rapidly evolving technology resources to improve productivity, collaboration, inclusivity and well-being for employees who work on site or remotely.

### **Leadership Development**

Effective leadership is a critically important part of a thriving organization. In recent years, we've expanded our investment in leadership development programs, tools and resources for leaders at all levels of the company and across the globe. The aim is to help supervisors develop skills and strategies to lead increasingly inclusive, collaborative and high-performing teams.

In addition to the online LinkedIn Learning platform available in multiple languages, we have further expanded our instructor-led offerings. Our REACH Leadership Development programs continued to expand in 2023 to impact more leaders globally, with both company strategy and skill-building content. Additional initiatives have included training on inclusive leadership in a hybrid environment, effective communication in a dynamic, information-rich world, and psychological safety. We also maintain a "Take the Lead" live webinar series delivered by Lilly executives to all leaders globally, and quarterly learning labs available for leadership skill-building on topics such as inspiring teams, coaching and retaining and developing talent.

In late 2023 we launched a new, comprehensive curriculum for new Lilly leaders called DISCOVER Leading@Lilly. This curriculum completely transformed our prior transition-to-leadership curriculum and set a new standard for all leaders at Lilly as they build essential leadership skills through a variety of courses and experiences during the new 18-month pathway. The program will be implemented globally in languages beyond English in 2024.

Results of this comprehensive leadership development agenda continue to be positive, with employees rating managers with increasingly favorable scores on multiple leadership dimensions in Lilly's annual leadership survey across the five-year span from 2019-2023.

### **Inclusive Training Approaches**

In addition to providing numerous learning programs across an array of topics, we continue to evolve design standards for training courses to improve accessibility for people living and working with disabilities and other

access needs. Examples include ensuring courses are compatible with assistive technologies such as screen readers for employees with visual impairments and providing transcripts for individuals with hearing impairments. Across Lilly, we intentionally design learning experiences and other communications technologies to be more inclusive.

### **Continuing Education Support**

Lilly supports employee continuing education through several programs, including a U.S. tuition assistance program available to all full-time employees and sponsored graduate degree programs available to a smaller number of individuals. In 2022, to make participation easier, Lilly transitioned the tuition assistance program from an employee reimbursement model to a Lilly pre-pay model and removed the requirement for one year of service for eligibility. We also implemented academic coaching, a new "fast track" program to make achieving a bachelor's degree more accessible and increased the annual dollar amount of the benefit for all eligible participants by more than 40%. In 2023, the dollar amount of the benefit increased by an additional 25%, for a total increase of more than 80% since 2021. This series of enhancements has resulted in more employees taking advantage of the benefits and pursuing continued education, with the percentage of participating employees more than doubling between 2021 and 2023. Lilly also provides training that meets criteria for professional re-certifications, such as engineering and accounting.

Learn more about how we [develop diverse talent and offer an inclusive workplace](#).



### **80 hours**

Average of 80 total training hours per employee on an annual basis  
(74 hours technical/compliance-focused and six hours development-focused)



### **14,000+ employees**

14,000+ learners viewed development content on Lilly-provided employee development platforms in 2023



### **15 courses**

On average, learners viewed 15 courses and spent nearly 3 hours learning



### **Top content**

The most popular content categories in 2023 included data analytics, artificial intelligence, leadership, communication and project management

## Employee Engagement

Our quarterly employee engagement survey, the Pulse survey, has been administered in some form since 1995. Currently each quarter, 25% of global employees are randomly invited to participate in the Pulse survey.

Our most recent survey in 2023 asked employees questions related to meaningful work, rewards and recognition, well-being, job satisfaction and retention. The Pulse survey evaluates employee perceptions of 13 different dimensions, including engagement, which is a composite dimension of several questions. A streamlined Pulse survey, focusing on the same content, will be deployed in 2024.

Over the past five years, our response rate averaged between 60-70%, with more than 25,000 employees responding to the survey in 2023, which is available in multiple languages. In 2021, we also added a Micro-Pulse survey, which was administered to small, randomized groups of 500-5,000 employees and further tested just-in-time concepts, such as preferences of working on-site versus remote, facilities, benefits and communication strategies. This continues to be a key platform to listen to employees and ensure their voices are heard.

### 2023 Employee Engagement Data

Lilly uses its Pulse survey as one way of measuring employee engagement. Global Pulse survey data from 2023 showed an overall engagement score of 79% and an overall Team Lilly include score of 82%. Continued elevations in these scores are likely due to comprehensive people strategy improvements made over time. The Team Lilly include score comes from a set of questions that comprise an inclusion index. For example: "I feel like I really belong in this company." "Overall, there is a free exchange of views in my organization; people are not afraid to say what they really think." "I can be myself around here."



### Attrition Rate

Lilly's total attrition rate for 2023 was 6.86%. Total attrition decreased from the previous year, and we have consistently remained below industry averages.

## Employee Safety

Keeping our people safe and healthy, whether at home or at work, is a high priority and aligns directly with our values. We realize the journey toward excellence in safety never ends, and we are constantly evaluating approaches to improve our safety programs and integrate injury prevention into everyday work.

We focus on creating a companywide culture where best-in-class safety practices are consistently followed. To do this, we assess and continuously strive to improve our safety performance to promote the well-being of employees and to help safeguard communities where we operate.

All employees are required to complete routine training on health, safety and environmental programs. This includes general health, safety and environmental training, as well as training on industry-specific and job-specific programs and procedures. Employees are also trained on relevant emergency preparedness and response procedures.

Our Lilly Technology Center in Indianapolis, Indiana has been a participant in the OSHA Voluntary Protection Program (VPP) since 2001 and has achieved the STAR certification. The VPP recognizes employers and workers who have implemented effective safety and health management systems and maintain injury and illness rates below national Bureau of Labor Statistics averages for their respective industries. To be recognized in the STAR program, employers and employees must demonstrate exemplary achievement in the development, implementation and continuous improvement of their safety and health management system. In 2023, the Lilly Technology Center successfully achieved recertification from the Indiana Occupational Safety Health Administration (IOSHA) for another five-year period. Lilly's Technology Center is one of the largest VPP sites in the state.

At Lilly, we measure both leading and lagging indicators when assessing our overall safety performance. We have found that tracking leading – or predictive – indicators, such as ergonomic risk, safety culture scores and precursors for life-altering and fatality risks, contributes greatly to our company safety performance. Using these indicators in conjunction with lagging indicators, such as our injury rates, we can paint a comprehensive picture of the areas that most affect employee safety across Lilly. This approach allows us to both influence change where needed and track our safety progress in concrete ways over time.

## Employee Safety Goals

Since we first began setting global safety goals in 2007, we have achieved significant improvements in our injury and illness rates. We continue to evaluate and set challenging employee safety goals to ensure we are making improvements in the most impactful areas.

Lilly has established safety metrics connected to our safety priorities and improving safety culture. Our priorities include developing safety leadership capabilities, reducing our most significant risks that could have life-altering or fatal consequences and managing business continuity risks, including those associated with process safety management. Additionally, we established a safety goal – to achieve zero severe injuries – with a focus on continuous improvement. In 2023, our severe injury rate was 0.69 injuries per 500 employees, which represents an increase over the 2022 rate of 0.55. Review of these injuries indicated that the most common accident category was slip, trip and fall accidents, many of which involved a behavioral element. As a result, individual areas have taken follow-up actions to help reduce risks and enhance employee education on safe behaviors. In addition, we have taken a broad approach across our operations to further deploy safety programs with an emphasis on the behavioral elements of injury prevention. We strive to achieve continuous improvement in injury reduction as we work toward the vision of an injury-free workplace.

With an eye on predictive indicators to improve our safety performance and culture, we track several leading metrics aligned with our priorities:

- **Life-Altering Injury and Fatality Near Miss Rate**

**Miss Rate** – Near miss events that involve the potential to result in a life-altering injury and fatality.

- **Safety Leadership Score** – Safety culture score calculated from our global employee Pulse surveys.

- **Lab Inspections** – Execution of lab inspections in Lilly Research Laboratories to help drive leadership engagement and identify and mitigate risks.

- **Affiliate Field Safety Discussions** – A requirement for leaders to engage in driving and ergonomic safety discussions with our field-based employees.

We continue to track and report injuries as required by local regulations (e.g., OSHA); however, for internally tracked injury metrics, we utilize the severe injury rate metric, which is based on the ASTM Standard for Reporting Injuries and Illnesses. This metric is applied globally and provides insights into our safety program performance. We also track the number of process safety

deviations in our applicable manufacturing sites and the number of life-altering injuries and fatalities globally.

## Promoting a Culture of Safety at Lilly

We know that to reach our goals for safety performance, Lilly must continue to instill and promote a best-in-class safety culture. We use a well-known model – the DSS+ Bradley Curve™ – to measure advancements in safety cultural maturity across the company. In addition, we evaluate and respond to the results from the safety leadership questions within our company's employee Pulse surveys.

In 2023, we advanced several key initiatives including:

- Partnering with DSS+, Lilly executed the DSS+ Safety Perception Survey™ across the company's research and development operations globally, collecting over 5,100 employee responses. Results from this survey are used to help our teams develop actions plans to continuously improve our safety culture.
- Completing two pilots in the use of the Dekra Leadership Diagnostic Instrument (LDI), which is designed to provide feedback to individual leaders regarding their safety leadership skills while providing macro trend data regarding overall safety leadership. The pilots are being used to set a strategy for future LDI use in 2024 and beyond.
- Evaluating a new, enhanced behavioral safety program offering (SafeStart NOW). Implementation is planned throughout our global manufacturing sites in 2024 and 2025.

## Working Safely from Home

We prioritize employee safety, whether working from the office, in the field or remotely. Our Ergo Answers@ Home program includes educational resources, connects employees to ergonomic experts and shares ergonomic success stories and best practices. Employees working from home can complete an online assessment tool to learn how to reduce their ergonomic risk, and we provided many employees with home office equipment and ergonomic accessories. Additionally, we continue to promote the use of an IT software that prompts employees to take pauses and safety breaks based on computer use and enables employees and their supervisors to monitor ergonomic risk level.

## Life-altering Injury and Fatality Elimination

We continue to advance safety efforts and continuous improvement initiatives at Lilly facilities, with a focus on addressing injuries at every level, including life-altering injuries and fatalities and our areas of highest risk (e.g., manufacturing operations and motor vehicle accidents).

We are proud of our progress to reduce injuries to employees and contractors, but we recognize that lower injury rates don't necessarily correlate to fewer life-altering injuries and fatalities. Over the last several years, we have applied a concentrated focus on our Life-altering Injury and Fatality Elimination (LIFE) program. LIFE near-miss events and key learnings are shared broadly through our HSE Alert process and data are used to identify and implement risk reductions across the organization. We regularly benchmark with peer companies to share events and new methods for controlling LIFE risks and to continuously identify opportunities to improve safety.

Achievements of the LIFE team in 2023 include:

- Driving completion of actions that reduce risks while working at heights at our manufacturing sites globally.
- Delivering educational multimedia LIFE campaigns to supervisors and employees on topics including motor vehicle safety, severe weather, ladder safety and lifting plans, and fire safety.
- Implementing a contractor safety playbook and conducting in-field assessments aimed at improving contractor safety performance across several major capital investment projects.
- Developing an enhanced risk assessment process to identify and control high-risk work activities for employees and contractors as part of a globally deployed work permit program.

### Addressing Our Highest Risks

Consistent with the [hierarchy of controls](#), significant effort has been made to expand on safety design criteria for new and existing Lilly facilities. To further minimize our highest risks, our manufacturing sites have continued to focus on implementation of advanced engineering and automation controls and process monitoring analytics for proactive event prevention. Near-miss data are collected and shared, and mitigation techniques are standardized where appropriate.

## Managing Our Process Safety Risks

Some pharmaceutical manufacturing processes use hazardous chemicals subject to process safety management standards established by the U.S. Occupational Safety and Health Administration, U.S. Environmental Protection Agency and EU directives and regulations. Over two decades ago, Lilly developed a globally integrated process safety management (GIPSM) program to manage process safety risks. Process safety management aspects are integrated within product development and manufacturing processes utilizing hazard analysis and risk elimination, procedural and training requirements, change management oversight and many other controls designed to minimize the risk of a catastrophic event.

By maintaining a sustained focus on process safety programs and HSE improvements, we have significantly reduced the risk posed by the most serious potential process safety-related events. In 2023, we continued to advance our process safety management program, including:

- Completing development of a process safety program focused solely on external manufacturing operations.
- Developing a lessons-learned white paper and several videos to further educate employees and increase vulnerability with operations and technical support personnel in our facilities with process safety risks.
- Completing a full cycle of internal global process safety compliance audits across the company. The purpose is to verify compliance with both internal process safety standard and applicable regulatory requirements (i.e., OSHA, EPA, COMAH/Seveso).

## Affiliate Motor Vehicle Safety

Our affiliate employees (i.e., office and field-based roles) represent one third of our global workforce. For many of these employees, their jobs require significant time driving to interface with customers, exposing them to risks of collisions and injuries. In 2010, we launched an internal motor vehicle safety program including driver training, collision monitoring and analysis, and coaching support for high-risk drivers. From 2020 through 2023, we incorporated additional requirements into this program, including increased emphasis on driving without distraction, supervisor-led safety coaching, country-specific driver safety programs, and updated vehicle safety requirements.

Collectively, these efforts have contributed to a decrease in collisions and motor vehicle-related injuries. At the end of 2023, our global collision rate was 10%, representing a 57% reduction since 2010.

### Safe Use of Mobile Electronic Device While Driving Procedure

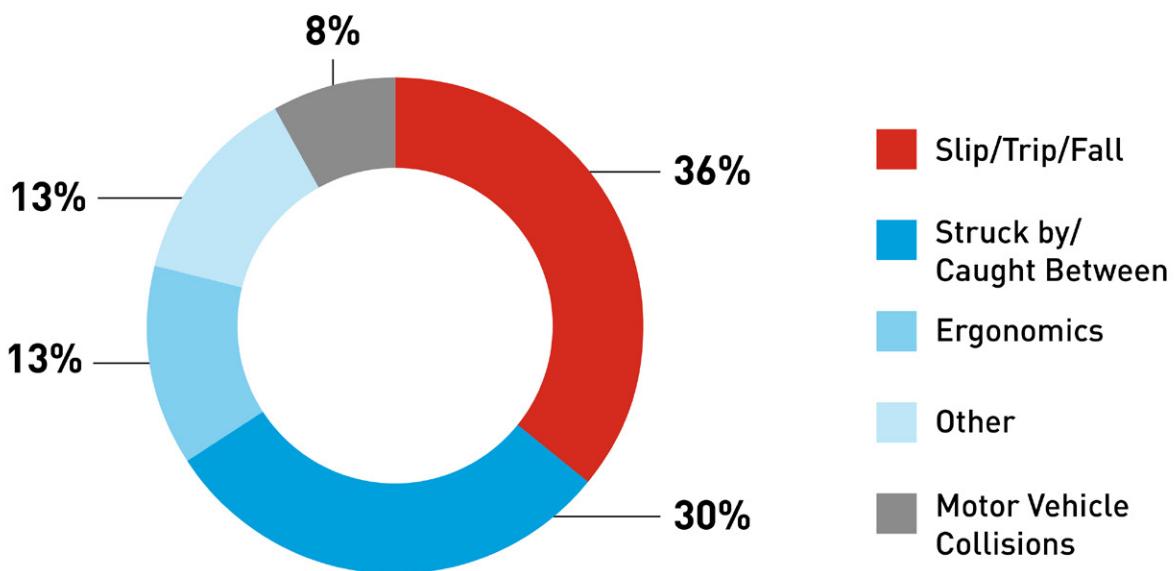
At Lilly, we believe that no one should ever be hurt doing their job. The use of mobile electronic devices while driving increases the potential for motor vehicle collision and personal injury. For this reason, all employees across the company are subject to a global procedure that prohibits, with limited exceptions for brief and urgent scenarios, the use of mobile electronic devices while driving any company-owned or leased vehicle, while conducting company business driving any vehicle, or while driving on company property.

### Contractor Safety

Our contractor safety management program starts with the objective of compliance with all regulations in the jurisdictions in which we work. However, our approach to safety goes beyond compliance with the belief that all accidents are preventable. We employ strict qualification criteria for contractors before they are awarded work and, once they are selected, we require ongoing job-specific training. Throughout all projects, we stress that safety is the top priority, before cost and schedule. We emphasize job-specific task planning, continuous recognition of changing conditions and safety observation reporting.

## Lilly's Safety Progress and Performance

### Severe Injury Categories in 2023



## 2023 Data

Safety Performance	2020	2021	2022	2023
Fatalities (Lilly employees, Lilly-supervised contractors and other workers on site)	0	0	0	0
Severe injury rate <sup>1</sup>	0.51	0.41	0.55	0.69
OSHA total recordable injury rate, TRIR (US and Puerto Rico only)	0.92	1.00	1.00	1.18
OSHA lost time incident rate, LTIR (US and Puerto Rico only)	0.16	0.19	0.16	0.19
Safety leadership score <sup>2</sup>	89%	87%	88%	88%

1. Per 500 employees (ASTM E2920 standard for recording occupational injuries and illnesses). Data as of January 8, 2024.

2. Percent favorable responses to safety leadership questions on Lilly's employee Pulse Surveys.



# Human Rights

## Management Approach

One of our long-established core values – respect for people – guides us to maintain and uphold an environment built on mutual respect, openness and individual integrity. This includes our concern for all people who interact with Lilly – patients, customers, employees, shareholders, partners, suppliers and communities. Our purpose of making life better guides our commitment to ensure employees, partners and suppliers uphold our values and respect human rights as we work together to improve lives.

### Integrating Respect for Human Rights

We strive to embed respect for human rights throughout our business activities and relationships. Lilly signed on to the United Nations Global Compact in 2009 and is committed to the [UNGC's Ten Principles](#) on respecting internationally proclaimed human rights, labor, environment and anti-corruption. Each year we review and reaffirm our commitment to the 10 principles outlined by the UNGC and we provide an index of where to find information about our integration of the UNGC principles into our business strategy, culture and daily operations.

### IN THIS SECTION

- › [Human Rights in Business Conduct](#)
- › [Human Rights Affecting the Workplace](#)
- › [Human Rights in Our Supply Chain](#)
- › [Human Rights in Health](#)
- › [Protecting People's Privacy](#)
- › [Speaking Up](#)

# Human Rights in Business Conduct

Lilly is committed to upholding high standards of corporate conduct. We earn the trust and respect of our customers, regulators and the general public through the manner in which we conduct our business and their resulting experiences. We believe in supporting the inherent rights of all people, regardless of where they were born, where they live, ethnicity, race, gender, sexual orientation or disability.

Our code of business conduct – called [The Red Book](#) – and our policies, compliance management systems, HR performance and promotion systems, training programs and communications initiatives are designed to work together to reinforce a culture of integrity and ethical behavior. This commitment to act legally and ethically, following both the letter and the spirit of the laws, regulations, policies and procedures that govern our business, includes various aspects of human rights.

Learn more in [Business Ethics](#).

## Human Rights Affecting the Workplace

Making life better starts with everyday acts of respect and inclusion for all people. We work together to create an environment where people feel valued and where they can use their diverse backgrounds, experiences, skills and perspectives in support of our purpose.

Across our own operations, we support human rights by:

- Offering fair and competitive employment practices, including wages and benefits
- Promoting a safe and healthy workplace
- Fostering a more diverse, equitable and inclusive work environment, where discrimination, harassment and retaliation are not tolerated
- Cultivating a diverse workforce of people with wide-ranging backgrounds and experiences through recruitment, learning and development, advancement and retention processes, and programs

Learn more in [Employee Experience](#) and [Diversity, Equity and Inclusion](#).

## Lilly's Support of Workers' Rights

Lilly fully supports standards that are upheld in U.S. law that both adults and children should be free from compulsory or coerced labor, and that people should have the right to associate freely and bargain collectively.

### Forced and Child Labor

Lilly maintains a longstanding practice of complying with local minimum age laws and requirements and does not employ child labor, or forced or compulsory labor, in any of our facilities globally.

### Freedom of Association and Right to Collective Bargaining

Lilly recognizes the importance of freedom of association in the workplace and respects the right of our employees to join associations of their own choosing. We interact with works councils and unions in several countries, and we support these bodies and work productively with them. The vast majority of our workers globally are not covered under traditional collective bargaining agreements.

In some countries where we operate, governments mandate working conditions such as salary increases, minimum wages, bonuses, number of weekly working hours, vacation time and overtime rates. These vary by country, and we follow these mandates wherever they apply.

Several of our affiliates have employee councils that meet regularly with management to discuss workforce-related issues that directly impact them, such as company policies and organizational changes. As laws and guidelines change wherever we operate, we will continue to work with employees, advocacy groups and governing bodies to maintain compliance and respect the right of free association.

## Human Rights in Our Supply Chain

Our suppliers help us earn and maintain trust and respect. We also expect our suppliers to uphold Lilly values and standards as outlined in our [Supplier Code of Business Conduct](#). In 2011, we revised our global standards and procedures to include specific language about human rights, including our expectation that our vendors abide by Lilly's human rights standards.

We rely on our suppliers and contract manufacturing operations to ensure the ongoing availability of our medicines. As our manufacturing base has grown, we've

taken significant steps designed to reduce our exposure to risks inherent in managing a global supply chain.

We continue to strengthen efforts to monitor our supply chain for quality and health, safety and environmental (HSE) risks. We have taken steps to educate and engage our suppliers directly on HSE issues and to help them build expertise around HSE topics. This includes our ongoing work as part of the [Pharmaceutical Supply Chain Initiative](#) (PSCI), which helps outline what the pharmaceutical industry expects from its supply chain. Lilly was an inaugural member of PSCI, which created and maintains the [Pharmaceutical Industry Principles for Responsible Supply Chain Management](#). These principles address five areas of supplier performance standards: ethics, labor, health and safety, environment and management systems. Lilly's Supplier Code of Business Conduct reflects the PSCI principles.

We require that our suppliers source materials responsibly and abstain from procuring materials from conflict areas or sources including the Democratic Republic of Congo.

See [Supply Chain Management](#) to learn more.

## Human Rights in Health

From early discovery through drug development, as well as while a product is on the market, Lilly works to ensure the safety and effectiveness of our medicines. Our R&D efforts and clinical trials are developed and administered in ways that support our commitment to human rights.

## Intellectual Property Principles for Advancing Cures and Therapies

Our scientists harness the power of biotechnology to advance new discoveries with the potential to transform care, relieve suffering and manage previously unmanageable conditions. Our ability to sustain investments to develop and deliver medicines depends upon an effective intellectual property system. We recognize that responsible use of intellectual property protections promotes progress for people, health care systems and society.

Lilly is a participant in the [IP PACT](#) (IP Principles for Advancing Cures and Therapies), a multi-company initiative affirming the biopharmaceutical industry's commitment to innovation and keeping patients at the center of our work. The IP PACT includes ten principles guiding the way our industry uses IP, including to facilitate collaboration and partnerships, to act responsibly in patent proceedings, to support vibrant

generic and biosimilar markets, and to approach IP in the world's poorest countries in ways that take into account their unique socio-economic challenges. The principles are intended to balance the needs of patients, society and our business — to further health care innovation and help patients live longer, healthier lives.

Learn more about our approach to intellectual property as it impacts patient access and about our process to systematically evaluate internal assets to identify product development and access planning strategies for low- to middle-income countries, see [Global Access & Health](#).

## Bioethics

We conduct Lilly clinical research and development activities consistent with bioethics principles and sound scientific methodologies, focusing on the safety and well-being of research participants.

Lilly was one of the first pharmaceutical companies to establish a standing bioethics committee in 1999. Our [bioethics program](#) is designed to address the increasingly complex and fast-paced ethical challenges of global pharmaceutical research, development and commercialization. Our focus is to protect and advocate for the rights and well-being of research participants and patients as well as the integrity of the scientific process and its applications for health care.

Our bioethics program provides Lilly employees with resources including the [Lilly Bioethics Framework for Human Biomedical Research](#), position papers on major bioethical issues, information on how to request a bioethics consultation, and bioethics education and training opportunities.

Learn more about our approach to [Bioethics](#).

## Clinical Trial Safety, Diversity and Access

One of the primary responsibilities of Lilly researchers and the medical professionals who conduct our clinical trials is the safety of study participants. Participant safety and well-being is monitored throughout each clinical trial. In addition, Ethics Review Boards, a team of people independent from the research, review every clinical trial to ensure appropriate steps are taken to protect the rights and welfare of participants before enrollment, and they maintain independent oversight over each clinical trial throughout its duration. Learn more in [Patient Safety](#).

We believe diverse representation in clinical trials is critical and helps our researchers ensure we develop medicines that can be as effective as possible for the patients who use them. Many factors impact how

someone will respond to a treatment, including their genetic background, ethnicity, gender and lifestyle, so it is important to enroll a diverse range of people in clinical trials for our medicines. Learn more about how we approach [diversity in our trials](#).

Lilly applies a single global standard to the conduct of medical trials involving human subjects. This standard is based on well-respected ethics guidance and other requirements including:

- The World Medical Association's [Declaration of Helsinki](#)
- The Council for International Organizations of Medical Sciences' [International Ethical Guidelines for Biomedical Research Involving Human Subjects](#)
- The International Conference on Harmonisation's [Guideline for Good Clinical Practice](#)
- The Pharmaceutical Research and Manufacturers of America's [Principles on Conduct of Clinical Trials](#)
- Applicable laws and regulations of the country or countries in which a study is conducted.

Lilly conducts clinical studies in countries or communities in which the benefits of research can be made reasonably available for research participants and the host country or community. Learn more about our approach to [continued access to investigational medicine](#) and [multinational clinical studies](#).

## Access to Medicine

We are deeply committed to equitable and affordable access to our medicines so that our breakthroughs can transform more people's lives. We're also committed to expanding our impact on society by addressing complex global health challenges, with a focus on people living in communities with limited resources.

Learn more about Lilly's extensive efforts in both [U.S. Access & Affordability](#) and [Global Access & Health](#).

## Protecting People's Privacy

Lilly is committed to the ethical management of all personal information whether it is that of a customer, an employee or any other individual. Our privacy program reflects our commitment to being open and honest about how we collect, manage, use and disclose personal information, and we're intentional about protecting it. We take reasonable precautions to protect personal information against loss, theft, misuse, unauthorized access, disclosure, alteration or destruction.

Learn more about how Lilly [respects privacy](#).

## Speaking Up

We don't compromise on issues of integrity. Lilly policy encourages all employees and our suppliers to report known or suspected issues, concerns or behavior that could harm Lilly or those we serve. We foster a culture where all individuals are empowered to speak up and engage with management to identify and implement appropriate continuous improvement.

We recognize that speaking up, even if anonymously, is our right and our responsibility, and that taking no action when action is warranted can have serious consequences. We encourage employees and suppliers to share concerns openly and honestly – including on issues of human rights – knowing that Lilly will not tolerate acts of retaliation for reporting inappropriate conduct, preventing unlawful practices or participating in an investigation.

Learn more about our approach to [Business Ethics](#).



# Patient Safety

## SASB Disclosures Covered:

[Safety of Clinical Trial Participants](#) (HC-BP-210a.1);  
[Counterfeit Drugs](#) (HC-BP-260a.1)

## IN THIS SECTION

- › Global Patient Safety
- › Safety of Clinical Trial Patients
- › Upholding Product Quality
- › Preventing Counterfeit Medicines

## Management Approach

From early discovery through drug development, as well as while a product is on the market, Lilly is focused on the safety and effectiveness of our medicines.

The safety and integrity of our products begins with the procurement of materials and extends throughout the production process. This includes strong health, safety and the environment (HSE) practices with suppliers who provide us with materials for research and development, as well as with the contract manufacturers who make our medicines and other pharmaceutical products. We continue to work to stem the tide of counterfeit Lilly medicines and we partner with other organizations aligned with upholding patient safety and deterring counterfeiting.

## Global Patient Safety

Beginning with the discovery of a potential new medicine, and for as long as it is available to patients, our goal is to ensure that the benefits and risks of a medication are continuously monitored and well-understood by regulators, health care providers and patients.

Our Global Patient Safety organization, consisting of more than 300 physicians, pharmacists, nurses and other health care professionals, is dedicated to the collection, monitoring, evaluation and reporting of safety information. Lilly collects adverse event reports and other safety information from around the world in an adverse event database and new safety findings are communicated to patients, caregivers, health care professionals and regulators, through product labeling, patient information and instructions for use. In addition, Lilly Global Patient Safety physicians partner with Global Manufacturing and Global Quality colleagues to guard the safety of our medicines through the evaluation of manufacturing specifications, manufacturing changes and issues.

Lilly's Global Patient Safety organization also maintains a robust system to monitor and ensure our devices are acceptably safe and effective from development to end of life cycle.

Read additional information about our [patient safety](#) efforts.

### Reliable Product Availability

The mission of our Global Manufacturing organization is to provide a reliable supply of high-quality medicines. Because we manufacture medicines that people rely upon and that can be critical for health, we know that we have a responsibility to safeguard the materials needed to manufacture these medicines and the supply chain logistics that help ensure their availability.

Our Manufacturing Leadership Team oversees the maintenance of Lilly's inventory of essential materials. Before these materials are received by Lilly, our material and component suppliers are evaluated for technical competence and their ability to provide high-quality, efficacious materials. Learn more about our [third party risk management](#).

As an additional safeguard, we have robust processes in place for our drug product components, which include the active pharmaceutical ingredient and all other materials used to manufacture finished drug products. Our manufacturing, packaging and distribution capabilities also help safeguard the supply of Lilly medicines and our ability to provide safe and effective medicines to patients

and health care providers. Our product serialization solution, first implemented in the U.S. in 2018, and with ongoing implementation in other countries, adds an additional level of security and ability to track Lilly products distributed in the legitimate supply chain.

## Safety of Clinical Trial Patients

We work to find new and improved medicines through rigorous research, including clinical trials. We believe diverse representation in clinical trials is critical and helps our researchers develop medicines that can be as effective as possible for the patients who use them. Many factors impact how someone will respond to a treatment, including their genetic background, ethnicity, gender and lifestyle, so it's important to enroll a diverse range of people in clinical trials for our medicines. Learn more about how we approach [diversity in our trials](#).

One of the primary responsibilities of Lilly researchers and the medical professionals who conduct our clinical trials is the safety of study participants. Participant safety and well-being is monitored throughout each clinical trial. In addition, ethics review boards and a team of people independent from the research review every clinical trial to ensure appropriate steps are taken to protect the rights and welfare of participants before enrollment, as well as maintaining independent oversight over each clinical trial throughout its duration.

Before enrolling in a clinical trial, participants are given information about the study through a process called informed consent, which continues throughout the duration of the study. The informed consent document describes the study's purpose, length, procedures, risks and benefits, and other information that all participants should know. Participants may withdraw from a study at any time, for any reason. Participants are also informed if new safety information emerges during the study that could affect their continued willingness to participate.

Lilly sponsors clinical trials but relies on a variety of partners to conduct the trials. In addition to the medical professionals at research sites, called clinical trial investigators, we partner with service providers, technology providers, research monitors and other providers, as needed, to effectively conduct our research. These partnerships are essential for appropriate oversight. For example, research monitors work with investigator sites to validate and confirm clinical trial data, and technology providers deliver items such as electronic trial diaries or digital devices to collect biomarker data (e.g., pulse, breathing rate, body temperature, etc.). We conduct robust assessments of

these parties to ensure they meet Lilly standards for research and data privacy, and we oversee their activities throughout the clinical trial to ensure quality and data integrity.

During the clinical trial, researchers monitor patient safety by collecting any information on adverse events that occur to identify potential safety concerns. Lilly reviews these adverse events across trial participants to help inform researchers, participants and regulators how to appropriately manage the care of the research volunteers, and to inform the benefit-risk profile of our products in development.

## Upholding Product Quality

Lilly is deeply committed to manufacturing high-quality medicines for patients who need them, and the safety and quality of our products is a high priority. We take our obligations seriously and have rigorous quality systems in place to ensure compliance with regulatory requirements.

Our Global Quality team is an independent organization within Lilly composed of about 3,200 scientists, pharmacists and other quality professionals. The most senior Quality leader reports directly to our CEO to ensure independence and objectivity. Global Quality is involved throughout the product life cycle, working across all phases of drug development and manufacturing. The goal of the team is to provide effective guidance and quality oversight, collaborating with colleagues in R&D and manufacturing to comply with applicable regulatory and internal standards and controls.

Global Quality manages and updates the Lilly Quality System, an integrated system of standards, business processes, organizational controls and oversight designed to help assure high-quality medicines are delivered to patients. The Lilly Quality System, which also includes sales and marketing activities for the U.S., maintains standards that support delivering balanced, objective, substantiated and current information to our customers. The Lilly Quality System supports and reinforces the Lilly values and our commitment to operating ethically and responsibly. In addition, Lilly places an emphasis on the culture of quality and has implemented a program focusing on culture. Aspects of the program include both leadership training and employee engagement. Lilly performs quality culture assessments of the manufacturing sites to reinforce cultural strengths and operational excellence. We work to create an environment where employees are empowered to speak up and share concerns. Learn more in our Business Ethics section.

Lilly regularly hosts inspections by global regulatory bodies of our manufacturing facilities, as well as

inspections in our marketing affiliates and clinical areas. These inspections examine our adherence to regulations such as Good Manufacturing Practices (GMP), Good Clinical Practices (GCP) and quality standards. The successful outcome of these inspections support continued reliable supply to patients, while driving continuous improvement to meet regulatory expectations based on learnings from the inspections.

Lilly utilizes a robust process to evaluate possible quality defects and safety issues that may be identified through internal testing, an event that potentially impacts product, quality or a complaint. Any such incident that poses a risk to the patient is escalated, promptly investigated and triaged by technical subject matter experts, quality management and patient safety physicians. Investigation outcomes are utilized for continuous improvement of our processes.

If a market action, such as product recall, is necessary, Lilly executes an established process with agreement from respective health authorities to promptly and efficiently remove affected material and communicate the decision to minimize the risk to patients. In some cases, incidents of suspected or confirmed counterfeit Lilly product within the legitimate supply chain can prompt a recall of authentic Lilly product. In these circumstances, the authentic Lilly product does not pose a risk. Lilly partners with health authorities and law enforcement agencies to determine if a recall of the material is needed to prevent counterfeit medicine from harming patients and to ensure the integrity of the legitimate supply chain.

2020	2021	2022	2023
0	5 <small>(1 Recall due to counterfeit medicine)</small>	0	0

### Global Quality also oversees the following activities to safeguard product quality:

- Testing and Assurance Checks** – Testing and assurance checks are performed throughout the manufacturing process, starting with testing raw materials and components to in-process testing of active pharmaceutical ingredients to final product testing to conform to regulatory and internal specifications.
- Authorization and Regulation of Products** – The Lilly Regulatory Affairs organization is responsible for the content of product submissions and any communications related to review and approval of

products. Regulatory Affairs also manages post-approval product registrations, labeling, promotional materials and associated regulatory policy.

- **Quality Management Training** – At Lilly, employees routinely receive training to ensure they adhere to the applicable enterprise quality policies. For our employees working in GMP areas, we have a robust CGMP (current good manufacturing practices) training program to ensure that they are prepared to perform their responsibilities effectively. This includes an annual CGMP update training that covers current quality-related topics, industry trends and regulatory updates. See [Business Ethics](#) for more information.
- **Medical Device Certifications** – For our medical devices, we maintain certification to the current ISO 13485 standard and participate in the Medical Device Single Audit Program (MDSAP). In this program, multiple regulatory authorities can accept the audit from a notified body on their behalf.

## Preventing Counterfeit Medicines

Illegitimate or falsified medicines are a threat to patient safety around the world and often undermine the regulated supply chains from which patients expect to receive safe, Lilly-manufactured products. Our product protection strategy was formally established in the early 2000s. Since that time, we have emerged as a leader and trusted partner in product protection, both within the industry and with government and law enforcement agencies worldwide. Lilly's product protection strategy has evolved to address various threats to products and issues that emerged around the globe such as counterfeiting, tampering, theft and diversion.

Read [additional details](#) on the dangers of illegitimate/falsified medicine and the roles of Lilly, patients and governments in combating this issue.

# Governance



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[Download Data Sheet](#)

# Our Governance Approach

Our company was founded nearly 150 years ago on the Lilly family's core values of integrity, excellence and respect for people, and these values continue to guide all that we do today. We are committed to upholding our high standards of corporate conduct in all business dealings around the world. We believe that a strong system of corporate governance is critical to promoting the long-term interests of our shareholders and other company stakeholders.

## Business Ethics

**SASB Disclosures Covered:**

[Business Ethics](#) (HC-BP-510a.2);

[Ethical Marketing](#) (HC-BP-270a.2)

**IN THIS SECTION**

- › Ethics and Compliance
- › Anti-Corruption Compliance
- › Respecting Privacy
- › Bioethics
- › Transparency, Disclosure & Political Engagement



## Management Approach

At Lilly, we are committed to upholding high standards of corporate conduct in our business dealings around the world. Our code of business conduct and our policies, compliance management systems, human resource performance and promotion systems, training programs and communications initiatives are designed to work together to reinforce a culture of integrity and ethical behavior.

As part of our commitment to operating ethically and responsibly, we have and continue to improve our ethics and compliance program. The program is designed to promote ethical conduct and instill a culture of integrity. Lilly's ethics and compliance organization supports our global anti-corruption, bioethics, business continuity, enterprise risk management and privacy efforts. Our comprehensive program includes board-level oversight, written standards, proactive risk assessments, monitoring and auditing, and trainings and communications designed to prevent fraud or other violations of Lilly's policies.

A key component to our culture of ethics and integrity is transparency around how we work. Lilly collaborates with health care professionals and organizations focusing on improving the health and quality of patients' lives. We believe being transparent about our relationships with these external groups, advocacy organizations and other stakeholders helps Lilly build trust and respect for how we work with others to benefit the people we serve.

## Ethics and Compliance

We assess risks in our business functions and the geographies where we operate to help business leaders understand, prioritize and mitigate risks related to ethics, compliance and fraud. We have a robust investigation process, and we develop corrective and preventive action plans to address issues as appropriate. We also use available data to improve our programs to help leaders assess the risks they face.

Lilly's chief ethics and compliance officer is responsible for developing and operating our ethics and compliance program. This includes reporting obligations to the CEO and regular updates to the Ethics and Compliance

Committee and Audit Committee of the Board of Directors. The Board annually reviews the company's prioritized enterprise risks, appropriate mitigation plans and the company's overall state of compliance. To provide a comprehensive review, the overall state of compliance report blends key information from various groups within Lilly, including corporate audit services, ethics and compliance, health, safety, and environment, and global quality.

### **Our Code of Conduct, Policies and Procedures**

Our code of business conduct, policies and procedures are designed to reinforce our core values and provide guidance on how we expect business to be conducted. They include processes for interacting with health care providers, government officials and others, and they are designed to be consistent with codes issued by other relevant organizations, including the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA), the Pharmaceutical Research and Manufacturers of America (PhRMA), European Federation of Pharmaceutical Industry Associations (EFPIA), and the Japan Pharmaceutical Manufacturers Association (JPMA).

Our global procedures and processes support the ethical marketing and promotion of our products and require the review and approval of this content by relevant subject matter experts. We investigate potential violations of these procedures and, as warranted, take corrective and preventive actions including reporting to regulatory authorities as appropriate.

In 2023, we received no warning letters or untitled letters from the Office of Prescription Drug Promotion (OPDP), US Food and Drug Administration (US FDA) Center for Drug Evaluation and Research (CDER) or the Advertising and Promotional Labeling Branch (APLB) US FDA Center for Biologics Evaluation and Research. We received one untitled letter from OPDP in 2021 regarding a product campaign and one in 2022 regarding a social media post. Lilly applied the learnings from previous untitled letters to its review processes for future communications involving all marketed products.

We regularly update and disseminate our compliance-related expectations through [The Red Book](#), our code of business conduct. Available in 18 languages, this document and associated trainings are designed to support a judgment-based approach emphasizing the company's values and the importance of ethical decision-making. The code of business conduct and associated training includes our [11 corporate policies](#):

- Our Ethical Foundation
- Conducting Research and Development
- Respecting People
- Assuring Quality
- Ethical Interactions: Communicating Honestly
- Ethical Interactions: Preventing Corruption
- Maintaining Financial Integrity
- Respecting Personal Information and Privacy
- Managing and Protecting Information
- Protecting People, the Environment and Our Assets
- Speaking Up: No Retaliation

## **Enterprise Risk Management (ERM) Framework**



<b>Business Objectives</b> <ul style="list-style-type: none"> <li>• Specific</li> <li>• Measurable</li> <li>• Aligned</li> <li>• Realistic</li> <li>• Timely</li> </ul>	<b>Identify &amp; Categorize</b> <ul style="list-style-type: none"> <li>• Strategic</li> <li>• Operational</li> <li>• Reporting</li> <li>• Compliance</li> </ul>	<b>Assess &amp; Prioritize</b> <ul style="list-style-type: none"> <li>• Impact</li> <li>• Likelihood</li> </ul>
<b>Address &amp; Prepare</b> <ul style="list-style-type: none"> <li>• Assess ability to impact residual risk</li> <li>• Understand preparedness</li> <li>• Develop mitigation</li> <li>• Leverage opportunity</li> </ul>	<b>Governance &amp; Oversight</b> <ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Executive Committee</li> <li>• Compliance and Enterprise Risk Management Committee</li> <li>• Risk owners</li> <li>• Business liaisons</li> </ul>	<b>Monitor &amp; Assess</b> <ul style="list-style-type: none"> <li>• Assess, monitor, and audit</li> <li>• Report and respond</li> </ul>

## Ethics Training and Communications

We recognize the impact of people and the role of human behavior on our organization's culture, and we aim to integrate these elements into our ethics and compliance program as part of our strategy to promote ethical behavior and decision-making. We believe all employees can play a role in the success of our ethics and compliance program, so we consider training and communications to be essential components of nurturing a culture of integrity and ethics throughout our business.

### Training and Development

Each year, we require our employees to complete training in ethical business practices. This includes requiring all Lilly employees and key contractors to complete training on [The Red Book](#) and certify they have read, understood and will abide by its requirements. More than 99% of employees completed this annual training prior to the internal due date in 2023. Most employees also receive additional targeted ethics and compliance training related to their specific role. Employees who do not complete required ethics and compliance training receive HR discipline, as appropriate. Additionally, each year senior leaders are required to confirm their organizations are compliant with the code of business conduct and applicable policies and procedures.

As part of our focus on nurturing a culture of integrity, we supplement our ethics and compliance training with case studies. Our goal is to help our leaders and employees understand the role pressure can play in rationalizing poor decisions and techniques they can use to mitigate this risk for themselves and within their teams. Additionally, we share details of real situations to reinforce with employees the behaviors and best practices that have led to ethical decision-making, as well as the lessons learned from past missteps. We want to help employees apply our principles, policies and procedures in their day-to-day work.

In addition to having core ethics and compliance subject matter experts as part of the ethics and compliance function, we also regularly provide high-potential employees with development assignments within the ethics and compliance function. We gain valuable insights from these participants, and we believe they return to their roles in the business with a renewed understanding of our commitment to integrity and the programs in place to support it.

### Communications

We further strengthen our culture with robust communications to help ensure employees are aware of their responsibilities under our policies, know where to

find resources to help them do their jobs and understand lessons we have learned as an organization. We provide leaders with resources designed to help them recognize their vital role in creating an environment that encourages ethical behavior. We also regularly publish articles on our internal website to communicate and support our commitment to integrity, as well as ethical decision-making and interactions.

We have worked to build and nurture a culture where people notice and speak up about mistakes or concerns, ask questions when they don't know the right course of action to take and listen when someone raises a concern or question. Our Speaking Up: No Retaliation policy supports this mindset, and we've created a comprehensive set of resources to help employees understand how we define retaliation, why we do not tolerate it in any form and the channels available to them to support speaking up.

### Tracking Our Progress

We track our progress in many ways, including reviewing the results of our annual employee surveys. Results from the 2023 surveys show that approximately 96% of survey respondents say they would report a suspected ethical violation if observed, and 95% know how to access the proper channels to report a potential violation.

## Reporting, Monitoring and Auditing

To help identify possible compliance issues, we maintain an internal disclosure system that includes a mechanism for anonymous reporting (where permitted by local law). We also review business actions through a system of monitoring and audits.

- **Internal Reporting** – Lilly employees are required to report known or suspected violations of the law, The Red Book, company policies or official orders or decrees applicable to our business. We recognize speaking up is our right and responsibility, and we encourage employees to report any ethical concerns or issues, including harassment and discrimination. The Lilly Ethics and Compliance Hotline is staffed by an independent firm, 24 hours a day, seven days a week and is available online to employees and the public globally (subject to local law). The hotline website also lists up-to-date local toll-free phone numbers for most countries, where available. Translation services are available, if needed, and reports may be made anonymously (subject to local law). In addition, employees or the public may submit reports of misconduct, inquiries or other allegations to Lilly via email. Employees are actively encouraged to bring concerns to supervisors, leaders and

representatives of ethics and compliance, legal and human resources. As our Speaking Up: No Retaliation policy states: "We share concerns openly and honestly, knowing that Lilly will not tolerate acts of retaliation."

- **Monitoring** – We maintain a risk-based ethics and compliance monitoring program. Key components of the program include a global monitoring strategy, risk assessments, monitoring plans and standardized tools and processes for reporting metrics to our business and functional leaders. We are increasingly utilizing data and analytics to detect risks as a core element of our monitoring program.
- **Corporate Auditing** – Our internal corporate auditing functions conduct financial, nonfinancial and quality audits of Lilly affiliates, functions, manufacturing, research and certain third parties to evaluate compliance with our policies and procedures. Audits are determined based on prioritization of the risk landscape using a risk-based methodology, leveraging data analytics, and are influenced by the results of the annual Enterprise Risk Management (ERM) process aligned with the company's strategic plan. Audits include reviews of our anti-corruption program, privacy and other policies related to ethical interactions (e.g., off-label promotion).
- **Assurance Governance** – To effectively align and integrate our companywide audit, assessment and monitoring activities to provide a focus on enterprise risks, we operate an Assurance Governance Forum. The forum is comprised of leadership from multiple assurance functions including ethics and compliance, audit, quality and information security. This objective is to provide integrated leadership to ensure that our risk and compliance programs meet the expectations of stakeholders and that our programs are integrated across the company to deliver maximum value and efficiency. The forum shares its learnings and insights with senior leadership and the Board of Directors.

## Investigations and Corrective Actions

We take seriously reports of known or suspected violations of company policies and procedures, and we investigate claims of potential wrongdoing that are brought to our attention. We seek to identify and address inappropriate conduct as early as possible and to prevent future recurrences. Our global investigation team receives specialized training and conducts investigations according to a standardized process designed to satisfy applicable global and local procedural and privacy requirements.

Listed below are statistics on high-risk allegations brought to our attention in 2023 and evaluated through a consistent process. These statistics concern allegations determined to be of the highest risk to the company and include potential violations of policies and procedures related to finance, sales, marketing, manufacturing, quality and conduct.

In 2023, we investigated and closed 287 high-risk allegations\*, and confirmed that a violation had occurred 73% of the time. Outcomes related to violations are listed below:

- Individuals disciplined, up to and including termination – 51%
- Individuals received corrective feedback or other outcome – 49%

\*One allegation equals one individual. If a situation involves more than one individual, that matter may be recorded as multiple allegations. High-risk allegations may include some third-party cases and violations. Statistics calculated as of May 2024.

During investigations of high-risk matters, our team works to identify root causes. Following an investigation, we help business area owners identify and implement corrective and preventive actions designed to address the issue, as well as prevent a recurrence. We monitor the effectiveness of these actions, adjust as needed and track and report our progress.

## Anti-Corruption Compliance

Lilly's commitment to operating with high ethical standards includes complying with applicable Anti-Bribery and Anti-Corruption (ABAC) laws and regulations, and it extends to business relationships, dealings and activities all over the world. Our global policies prohibit bribery, fraud and other acts of dishonesty, including that we do not offer, provide, authorize or accept anything of value – or give the appearance that we do – to inappropriately influence a decision or gain an unfair advantage. This also extends to our work with third parties. We use a risk-based anti-corruption due diligence process to evaluate certain third parties, as appropriate, before engaging them, including the following:

- third parties who may be authorized by Lilly to interact with health care providers or government officials on the company's behalf
- prospective recipients of grants and donations
- prospective business development partners.

When appropriate, as determined through our risk evaluation process, third parties are required to follow anti-corruption policy and procedure requirements and participate in anti-corruption training. As part of our ongoing monitoring efforts, we conduct independent ABAC assessments of certain third parties, which often includes site visits and transaction testing. We also conduct an annual global anti-corruption risk assessment to identify potential risks and develop appropriate risk mitigation plans.

In addition, employees who are in positions most likely to interact with third parties are required to complete additional scenario-based training above and beyond our annual code of business conduct training. This training, which includes anti-corruption training, is designed to reinforce our policies, procedures and processes that promote ethical interactions. In 2023, more than 99% of required employees completed this additional training prior to the internal due date. Employees who do not complete required ethics and compliance training receive HR discipline, as appropriate.

## Respecting Privacy

Privacy is a top priority for Lilly, as reflected by our longstanding global privacy program. At its core, our privacy program reflects our commitment to being open and honest about how we collect, manage, use and disclose personal information. We are intentional about protecting personal information and strive to use the minimum amount necessary to do our work. We share personal information only with those who are authorized and have a legitimate business need to see it, and we insist our suppliers and third parties handle personal information in accordance with core privacy expectations, as well as applicable laws and regulations.

At Lilly, we expect our employees, suppliers and anyone working on our behalf to work responsibly and protect the personal information that is entrusted to us. These expectations are stated in our global Respecting Personal Information and Privacy policy, as well as our Respecting Privacy procedure, and are emphasized in enterprise-wide training on the responsible use of personal information.

### Governance of Privacy

The Global Privacy Office oversees the privacy program for our operations around the world and is led by our chief privacy officer, working with a team of global and local privacy experts. As the volume of data grows exponentially and as comprehensive data privacy laws proliferate in the U.S. and worldwide, privacy is a board-level priority. In addition to running its standard

risk assessment process, the privacy team is actively engaged with relevant external constituents to stay abreast of new privacy laws, related risks and potential impacts of noncompliance, as appropriate, and to inform leadership of such developments as warranted. The privacy team also shares developing privacy requirements and identifies key privacy risks to our broader ethics and compliance organization, as well as to other key internal stakeholders, including our corporate audit team partners.

## Bioethics

Our investment in bioethics capabilities reflects our company values and purpose to improve people's lives and communities around the world. We were one of the first pharmaceutical companies to establish a standing bioethics committee in 1999. Our [bioethics program](#) is designed to address the increasingly complex and fast-paced ethical challenges of global pharmaceutical research, development and commercialization. Our focus is to protect and advocate for the rights and well-being of research participants and patients, as well as the integrity of the scientific process and its applications for health care.

Our bioethics program provides Lilly employees with resources including the [Lilly Bioethics Framework for Human Biomedical Research](#), position papers on major bioethical issues, a bioethics consultation service, and bioethics education and training opportunities. We also sponsor an annual bioethics lecture. Additionally, our staff and the Bioethics Advisory Committee provide input into policy decisions that have bioethical implications, and we collaborate externally to establish best practices in applying bioethics across the industry. Focus areas for work in 2023 included continued access to investigational medicines, artificial intelligence and gene editing.

### Governance of Bioethics

Our bioethics program reports into the chief ethics and compliance officer and works closely with the office of the chief medical officer. Our bioethics staff, which has specialized training and expertise, provides education and training for the cross-functional Bioethics Advisory Committee, which includes external bioethics experts. This committee serves as a resource for Lilly employees and is a place where they can seek guidance on bioethics considerations, discuss potential alternative courses of action and receive recommendations on potential paths forward.

We consistently apply the principles in the Lilly Bioethics Framework in ways that influence our research study design, informed consent processes and content,

selection of countries for clinical trial sites, requests for access to investigational treatments outside of clinical trials, animal care and use, engagement of special populations (e.g., pediatrics), as well as timing and content of research publications, among other matters.

### Bioethics Program

Our bioethics program has four core activities: consultation, education and training, development of bioethics positions, and collaboration.

Our bioethics staff provides consultations for employees seeking advice regarding bioethics and research ethics issues. To increase workforce knowledge about bioethics, we have developed the Bioethics Leadership Academy (BELA) that provides a specialized curriculum in bioethics for Lilly employee development. In 2023 we established Lilly's first bioethics practicum, which provides a new training opportunity for graduate students to learn about how bioethics is applied in a corporate setting.

Our [Bioethics Framework for Human Biomedical Research](#) and our [Principles of Medical Research](#) provide a bioethics foundation for the company's positions on bioethics issues, promoting alignment with broadly accepted ethics principles and Lilly's core values of integrity, excellence and respect for people. Our bioethics program aims to work with other companies to establish best practices and to bring an industry perspective to bioethics discussions.

Our bioethics program advocates for the rights and well-being of research subjects and patients who use our medicines. Lilly applies a single global standard to the conduct of medical trials involving human subjects. This standard is based on well-respected ethics guidance and other requirements including:

- The World Medical Association's [Declaration of Helsinki](#)
- The Council for International Organizations of Medical Sciences' [International Ethical Guidelines for Biomedical Research Involving Human Subjects](#)
- The International Conference on Harmonisation's [Guideline for Good Clinical Practice](#)
- The Pharmaceutical Research and Manufacturers of America's [Principles on Conduct of Clinical Trials](#)
- Applicable laws and regulations of the country or countries in which a study is conducted.

Lilly conducts clinical studies in countries or communities in which the benefits of research can be made reasonably available for research participants and the host country or community. Sometimes an investigational medicine is

not locally commercially available at the conclusion of a clinical study and as a result, clinical study patients who are benefiting from an investigational medicine are not able to access the treatment. Under certain conditions Lilly may offer continued access (otherwise known as post-trial access) to an investigational medicine after a patient's participation in a clinical study has ended.

Learn more about our approach to [continued access to investigational medicines](#) and [multinational clinical studies](#).

## Transparency, Disclosure and Political Engagement

We support various transparency initiatives globally, provided:

- that they are respectful of local laws related to intellectual property, trade secrets, competition and privacy
- the disclosure of information does not undermine our ability to compete effectively
- that information is communicated with appropriate context in an easily understood manner.

We seek to collaborate with policy makers, industry colleagues and key stakeholders to align on approaches that achieve these objectives.

## Clinical Trials Data Transparency

Lilly is committed to the transparency of our clinical studies, and we recognize that responsible sharing of clinical study data can enhance public health. Since 2014, Lilly has enhanced our transparency initiatives in alignment with the [PhRMA/EFPIA Principles for Responsible Clinical Trial Data Sharing](#). Lilly registers and posts results of clinical trials on [clinicaltrials.gov](#) in addition to any legally required clinical trial registries. For Phase 2 and 3 trials that completed after 2019, Lilly submits results to clinicaltrials.gov one year after the completion of the trial regardless of the medicine's approval status.

Lilly makes anonymized patient-level data available from Lilly-sponsored trials on marketed drugs for approved uses following acceptance for publication. Lilly is one of several companies that provide this access through a third-party website where qualified researchers can submit research proposals and request anonymized data to test new hypotheses.

In 2013, Lilly began conducting pilot projects creating summaries of Phase 2 and 3 clinical trial results in patient-friendly language using simple, everyday terms. Since 2021, Lilly has created plain language summaries of Phase 2-4 clinical trial results in English.

## Payments to Physicians and Healthcare Organizations

Read about [our approach](#) to payments to health care professionals and health care organizations.

## Political and Policy Participation

Read about [our disclosures](#) on political and policy participation.



# Corporate Governance

## Management Approach

We are committed to effective corporate governance, which promotes the long-term interests of shareholders and other company stakeholders, builds confidence in our leadership and strengthens accountability by the Board of Directors and management. Our Board recognizes that one of its key responsibilities is to ensure that Lilly is governed in a manner that provides both independent oversight and efficient and prudent decision-making. Over the years, our Board has instituted several governance best practices to ensure effective independent oversight.

Learn more about the general principles of corporate governance by which Lilly's Board operates in our [Corporate Governance Guidelines](#).

The Board takes an active role in overseeing the development and execution of our business strategy. Each year, the Board and executive management conduct an extended review and discussion of the company's strategy, goals, external environment and key risks. Decisions reached in this session are reevaluated throughout the year, including as the Board reviews the company's financial performance, the performance of our business units and progress in our product pipeline. Our Board and management are also actively engaged in the assessment, management and oversight of sustainability matters pertinent to our business. We identify issues that matter most to our business and develop robust strategies to address them. We also engage with a variety of stakeholders on an ongoing basis and incorporate feedback as appropriate.

Learn more about Lilly's [governance structure, Board of Directors and Executive Committee](#).

## Sustainability Governance

Our approach to sustainability governance includes Board oversight, management accountability, corporate policies and management systems and stated public policies and positions on key topics. These topics are well integrated into our business strategy and operations. We seek to continuously improve in these areas, as we believe they are foundational to our long-term success and our ability to promote the interests of shareholders and other company stakeholders.



### IN THIS SECTION

- › Sustainability Governance
- › Health, Safety and the Environment (HSE) Governance

### Board Oversight

The Directors and Corporate Governance (DCG) Committee of the Board is responsible for identifying and bringing to the attention of the full Board, as appropriate, current and emerging social, environmental, political and governance trends and public policy issues that may affect the business operations, performance or reputation of the company. In addition, the DCG Committee oversees matters of corporate governance, including Board performance, non-employee director independence and compensation, corporate governance guidelines and shareholder engagement on governance matters. View our DCG Committee [charter](#). In addition, the Talent and Compensation Committee is responsible for oversight of human capital management matters, including diversity, equity and inclusion.

Our full Board is engaged in strategic sustainability oversight, receives regular updates on these matters, reviews our long-term environmental goals, and weighs in on significant strategic investments, including those related to our overall sustainability priorities.

Additionally, key enterprise-level risks are overseen by the full Board and our enterprise risk management process is overseen by the Audit Committee of the Board. Company management is charged with managing risk through robust internal processes and controls. The enterprise level risks are reviewed at least annually with the full Board, and relevant enterprise risks are also addressed in periodic business function reviews and at annual Board and executive management strategy sessions. Company management frequently collaborates throughout the year to keep an open dialogue on

emerging risks identified from a variety of internal and external sources.

### Sustainability Governance Committee

Central to our sustainability oversight is our Sustainability Governance Committee, chaired by our sustainability leader and composed of senior leaders from Health, Safety and the Environment (HSE), Human Resources, Ethics and Compliance, Legal, Treasury, Procurement and Investor Relations. This committee reports to our senior leadership Executive Committee and has a broad sustainability mandate that includes leading the coordination of our sustainability strategy, evaluating our sustainability approach compared to peers and the broader environment, assessing and responding to sustainability regulations, leading formal, periodic sustainability strategy updates, institutionalizing sustainability topics throughout Lilly and facilitating execution of sustainability reporting activities.

### Sustainability in Executive Compensation

We reinforce the importance of sustainability by including relevant expectations in each executive officer's performance plan. Delivery against these expectations is a factor in determining base pay increases and equity award values that our executive officers receive. This approach provides accountability for sustainability performance for the individual and allows for adjustments in compensation based on the contribution to the achievement of the company's performance and sustainability goals. It also considers the sustainability topics most relevant for an executive officer's responsibilities. For example, for sustainability topics such as environment, performance objectives are established for the individuals most accountable for these topics, such as the executive vice president of manufacturing.

## Health, Safety and Environment (HSE) Governance

HSE management at Lilly is integrated through a formal structure, including the following groups, individuals and programs:

- **Global HSE Committee** – Includes senior executives from key areas of the business, the committee ensures proper oversight and plays a central role in monitoring corporate HSE strategy, compliance and performance against goals, as well as continuous improvement.

- **Senior Vice President responsible for corporate engineering and global HSE** – A member of the Global HSE Committee works closely with HSE and other functional leaders to ensure an appropriate and thoughtful response to HSE risks and opportunities, monitor emerging and evolving issues, approve appropriate metrics and goals and oversee compliance with all HSE regulations, policies, procedures and standards worldwide.
- **Manufacturing HSE Committee** – Supports HSE efforts and drives ongoing improvement throughout manufacturing.
- **Lilly Research Laboratories HSE Lead Team** – Promotes HSE aspects across research and development.
- **Process Safety Management Committee** – Ensures Lilly maintains a sustainable, compliant and industry-leading Process Safety Management & Combustible Dust Program and sets the strategic direction and continuous improvement plan for reducing process safety risks.
- **Pharmaceuticals in the Environment Governance Committee** – Sets strategic direction, provides long-range oversight, supports effective internal collaborations and recommends resources for the programs that control active pharmaceutical ingredient discharges from manufacturing sites.
- **Executives and lead teams** – Oversee HSE performance in our business groups and administrative functions.
- **Local safety teams** – Includes cross-functional team members focused on monitoring performance, execution and continuous improvement activities within the day-to-day operations of a specific site or business area.

## HSE Policy Statements, Procedures and Standards

Lilly has brief, principle-based policy statements that are implemented in two ways:

1. through our global procedures, which describe underlying principles and general expectations
2. through our global standards, which provide auditable, detailed requirements.

These key governance documents and our related management systems together detail Lilly's HSE management and performance expectations. Lilly's global

policy statements, procedures and standards articulate our commitments and guide our efforts. They include the following:

#### HSE Policies

- Our Global Policy on Protecting People, the Environment and Our Assets – We strive to maintain a secure workplace and to protect people and the communities in which we operate and serve. We are focused on continuously improving our health and safety practices to promote the well-being of our people. We are committed to conducting business in a responsible and environmentally sustainable manner. We are committed to a robust security culture to protect our people and brand from harm, and our assets from loss, theft or damage. Each of us is responsible for implementing our security practices and applying them in our daily activities.

#### Global HSE Procedures

- Health, Safety and the Environment – Outlines general principles and sets general requirements in the areas of employee responsibility, management responsibilities, emergency preparedness and reporting of HSE incidents.
- Safe Use of Mobile Electronic Devices While Driving – Establishes criteria and limitations for the use of mobile electronic devices while operating a Lilly vehicle, including driving on Lilly property, and conducting company business.

#### Global HSE Standards

- Management System Standard – Defines requirements to ensure a robust process is in place within each part of the organization to effectively manage compliance with Lilly HSE Standards, applicable regulatory requirements and other HSE standards.
- Environmental Standard – Establishes requirements to identify and manage the environmental and energy-related aspects of our operations.
- Health and Safety Standard – Provides requirements for identifying and evaluating workplace hazards and establishing control measures to eliminate or reduce the risk of injuries and illnesses.
- Process Safety Standard – Establishes requirements designed to reduce the potential for catastrophic events (fires and explosions), focusing on the establishment of safe initial conditions, management of change, and the prevention of system decay.

- Product Stewardship Standard – Provides a systematic approach to managing product and process risks throughout the product life cycle, from research and discovery to product end-of-life.
- Global Engineering Standards – Establishes requirements for the design and operation of facilities and equipment to ensure compliance with internal and external requirements and responsibly manage environmental aspects of operations.

With respect to the importance of climate-related risks, our CDP response provides comprehensive discussion of how the risk of climate change is considered and governed. Read our latest [CDP response](#).

#### HSE Management Systems

At Lilly, business areas including manufacturing, research and development, sales and marketing affiliate locations, and general administrative functions, are required to operate with an HSE management system that adheres to the Lilly HSE Standards. Lilly's HSE Management System is consistent with third-party standards such as the International Organization for Standardization (ISO) 14001, ISO 45001 and the American Chemistry Council's Responsible Care Management System (RCMS®) standards.

All employees are subject to recurring training on health, safety and environmental programs. This includes general health, safety and environmental training, as well as training on industry-specific and job-specific programs and procedures. Employees are also trained in relevant emergency preparedness and response procedures.

#### HSE Audits

We conduct HSE audits of Lilly sites and functional areas for each of our Global HSE Standards as well as regulatory requirements. Our multiyear audit plan is updated annually and identifies which areas to audit each year based on risk, with areas associated with high-risk operations being audited at least every three years. Audit results are shared with executive leadership and the Board of Directors, and management must respond to and address all audit observations and track progress against action plans.

# Supply Chain Management

## SASB Disclosures Covered:

[Supply Chain Management](#) (HC-BP-430a.1)

## Management Approach

Ensuring our high-quality medicines are available wherever and whenever patients need them is one of our top priorities. We are committed to maintaining the safety and integrity of our medicines, which begins with the procurement of materials and extends throughout the production process. Through integration of Lilly-owned facilities and external suppliers, we aim to manufacture our medicines in an efficient, effective and safe manner. The Lilly Quality System supports this integration and is the foundation for our quality standards and processes throughout the product development life cycle, including auditing and assessing third-party risk.

In addition to our efforts internally, we promote strong health, safety and environmental (HSE) practices with our suppliers and contract manufacturing operations (CMOs). We work to mitigate [counterfeit medicines](#) and illegal compounding to protect patient safety. We also ensure that we comply with governmental efforts around conflict minerals (see more on conflict minerals below).

A significant portion of Lilly's environmental and social impact is embedded in our supply chain. We are committed in policy and action to supporting our suppliers and CMOs as they work to continuously improve their operations.

We believe that doing business with a diverse set of suppliers also helps Lilly accelerate innovation and deliver strong results. We seek out fresh perspectives and insights by engaging minority group-owned, women-owned and small businesses.



## Supply Chain Governance

We view our supply chain as an extension of our operations and strive to instill our company's operating principles within our supplier network. We support the United Nations Global Compact (UNG) principles, adhere to human rights and labor laws, comply with anti-corruption practices, endeavor for a diverse supplier base and promote sustainability efforts designed to minimize our environmental footprint.

Lilly utilizes a risk-based approach to prevent product shortage to ensure patients have access to the right medicine at the right time. To help ensure a reliable supply of medicines, Lilly is expanding manufacturing capacity, including new facilities in North Carolina and Indiana in the U.S., Ireland and Germany.

We rely on our suppliers and CMOs, including those that supply us with research and development materials, active pharmaceutical ingredients (APIs) and final drug products, to ensure the ongoing availability of our medicines. As our manufacturing base has grown, we've taken significant steps designed to reduce our exposure to risks inherent in managing a global supply chain.

We continue to strengthen efforts to monitor our supply chain for quality and HSE events and risks. We institute additional procedures for monitoring suppliers that may pose higher risks, and we intervene quickly when appropriate. Both quality and HSE considerations are integrated into Lilly's process for evaluating potential new contract manufacturers, and formal assessments are conducted routinely (approximately every three years) for existing contract manufacturers.

## IN THIS SECTION

- › Supply Chain Governance
- › Third Party Risk Management
- › Partnerships and Leadership
- › Supplier Diversity

We have also taken steps to educate and engage our suppliers directly on HSE issues and to help them build expertise around HSE topics. This includes our ongoing work as part of the [Pharmaceutical Supply Chain Initiative](#) (PSCI), a non-profit business membership organization founded in 2006, which counts Lilly as one of its inaugural members. In 2023, Lilly HSE professionals led the Industrial Hygiene PSCI supplier capability building team and served on several of PSCI's supplier capability building teams. PSCI, along with its member companies, created and maintains the [Pharmaceutical Industry Principles for Responsible Supply Chain Management](#) (the PSCI Principles). The PSCI Principles provide our industry with consistent supplier performance standards in the areas of ethics, labor, health and safety, the environment and related management systems. At Lilly, we have aligned several codes, policies and procedures with the PSCI Principles including:

- Internal [product stewardship](#) requirements that detail our approach to managing risk across the supply chain
- The Lilly [Supplier Code of Business Conduct](#), which applies to all suppliers
- Relevant procurement standards
- Standard contract language applicable to providers of contract manufacturing services.

Learn more about our [HSE governance](#).

## Conflict Minerals

We are concerned with [human rights](#) violations that occur throughout the world. This includes the ongoing conflict in the Democratic Republic of Congo (DRC) and surrounding countries which is understood to be financed in part by the mining and trade of certain minerals, including tungsten, tantalum, tin and gold. We are committed to assessing our supply chain and the potential upstream impacts of our supply and purchasing decisions as they relate to the minerals at issue.

Lilly filed annual reports for 2014 to 2023 with the U.S. Securities and Exchange Commission (SEC) relating to the conflict minerals rule. As a part of this reporting process, we examine the raw material content of all our global commercial products and seek to identify their origin and source. Our goal is to develop a better understanding of our supply chain and avoid the inadvertent support of businesses associated with human rights violations.

Our expectation is that our suppliers source their materials responsibly and abstain from procuring materials from areas or sources that might promote

conflict in the DRC. We expect our suppliers to conduct their own due diligence regarding the source of any materials they provide to us. We filed our [latest conflict minerals disclosure](#) documents with the SEC in May 2024.

We seek to understand the origin of these materials and to avoid the inadvertent support of businesses associated with human rights violations. Learn more about our approach to [human rights](#).

## Third-Party Risk Management

We engage with third parties to provide differentiated services, enable our focus on our core competencies and gain operating efficiencies. Working with third parties may increase potential risks such as service disruptions, data and security breaches, reputational harm, penalties and fines. Mitigating potential risks and protecting Lilly's reputation is a companywide responsibility that includes third party participation.

With leadership from an internal center of excellence, we have established a third party risk management program focused on identifying and managing potential risks posed to the organization by working with third parties. Lilly's program has five foundational operating model components: governance and delivery, policies and standards, management processes, tools and technology, and risk metrics and reporting.

The third party risk management program focuses on the following risk areas: anti-corruption, information security, privacy, information systems quality, animal welfare and business continuity. Additional risk areas will be phased in as the program evolves. The third party risk management program covers the full third party risk management lifecycle including due diligence activities that are conducted pre-contract and ongoing monitoring activities that are conducted post-contract through the life of the engagement.

### Assessing & Auditing Third Party Operations

To ensure we meet the expectations of the Lilly quality system, our global quality auditing and compliance team conducts annual risk-based audits to oversee both internal Lilly manufacturing sites and external third-party operations. We regularly assess the results of these audits to identify areas for improvement.

Lilly manufacturing sites conduct internal risk analyses of each purchased material (raw materials, APIs, intermediates, packaging materials, and GMP consumables) based on global quality standards. The risk analyses evaluate the supplier, complexity of the supply

chain and how the material will be used at our internal sites to determine an overall risk classification. The overall risk classification helps inform the actions needed to approve a new supplier, and the ongoing requirements that we will apply to the supplier. We have similar quality standards and oversight activities for contract manufacturers as well.

For managing HSE risks, our manufacturing procurement contracts ask suppliers to support the [PSCI Principles for Responsible Supply Chain Management](#), which set out the relevant practices any business operating within the pharmaceutical supply chain is expected to uphold in the areas of ethics, human rights and labor, health and safety, environment and management systems. Lilly also expects our suppliers to conform to the HSE expectations outlined in our [Lilly Supplier Code of Business Conduct](#). Standard contract language also requires that manufacturing suppliers, if requested by Lilly, agree to submit to audits that assess compliance with our expectations. Additionally, we engage with key suppliers on environmental sustainability topics such as climate change (greenhouse gas emissions), waste reduction and other relevant opportunities to minimize the environmental footprint of our supply chain.

## Partnerships and Leadership

We are an active member of external associations and consortiums aimed at enhancing the security, quality and safety of pharmaceutical supply chains. Team members of Lilly's global quality auditing and compliance group actively participate in [Rx-360](#) and [International Pharmaceutical Excipients Council](#) (IPEC) working groups to provide input into industry guidelines and standards and align our processes with our peers.

We currently hold a seat on the board of directors at Rx-360 and participate in several of the consortium's working sub-groups to help ensure we stay informed of and help set industry best practices. During 2023, we are continuing the use of Rx-360 Supplier Audit Reports to supplement our internal audit plan as needed. Some highlights of our involvement with Rx-360 include:

- In 2021 Lilly participated in the validation testing of the now-launched auditsPLUS® system interactive database, which provides users of the Rx-360 program new and enhanced tools to help reduce their audit burden.

- In 2022 Lilly participated in development of a white paper on Good Distribution & Warehouse Practices for Warehouse & Transportation in Latin America (LATAM). This document sets the guidelines for the proper warehousing and distribution of regulated medical products within Latin America in compliance with Good Distribution Practices.
- In 2023 Lilly participated in development of two white papers, which outline the basic GMP elements that may be required of our suppliers and how to handle the management of a critical vendor to minimize impact on the supply chain. Lilly was also part of the core team responsible for updating the IPEC GMP guide for manufacturers of excipients for the pharmaceutical industry.

## Supplier Diversity

We believe that doing business with a diverse set of suppliers helps the company accelerate innovation and deliver strong results. By actively seeking out the fresh perspectives and insights of diverse and small businesses to meet our needs across the value chain, we strengthen both our own company and firms across our supply chain.

Our supplier diversity programs in the U.S. and Puerto Rico aim to engage small and diverse businesses that have historically been underrepresented in corporate purchasing. The programs we have created help us deliver on our purpose while also helping improve the economic status of small and diverse suppliers.

The impact of our supplier diversity efforts extends beyond our immediate spend. Our suppliers hire employees and additional suppliers, which supports job creation throughout the supply chain and in local communities.

## Economic Impact



A supplier is considered diverse when at least 51% ownership and control are held by an ethnic minority group member (MGM), a woman, someone who is LGBTQ+ or disabled. Small suppliers are defined by the U.S. Small Business Administration's (SBA's) [small business size standards](#).

Given the importance of advancing supplier diversity, we have developed a comprehensive strategy focusing on three key areas:

- Engage small and diverse suppliers, advocacy organizations and industry partners (for best practices)
- Empower small and diverse suppliers as well as internal stakeholders
- Impact the community where we live and operate.

We met or exceeded our government-mandated targets for all required categories in 2023 from spend and percentage perspectives except for Small Business percentage. These categories are small business, woman-owned small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business and business located in a HUBZone. We continued to mentor small and diverse suppliers by expanding support programs with the aim of helping our suppliers build stronger business practices. We hosted multiple virtual and in-person networking events to connect qualified suppliers with our procurement professionals and to enhance our partnership with advocacy groups.

In 2023, we spent approximately \$953 million with more than 1,200 suppliers classified as small businesses\*. We spent approximately \$943 million with nearly 650 suppliers, large or small, who were classified as minority-owned, woman-owned, veteran-owned, disability-owned and/or LGBTQ+ owned businesses\*\*. During its most recent audit in 2016, the U.S. Small Business Administration recognized Lilly's efforts to promote and maintain supplier diversity as "outstanding" – the highest possible rating.

## 2023 Supplier Diversity Spend



**\$950 Million+**

spent with more than 1,200 suppliers  
classified as small businesses



**\$940 Million+**

spent with nearly 650 suppliers,  
large or small, classified as:

- disability-owned
- LGBTQ+ owned
- minority-owned
- veteran-owned

As part of our [Racial Justice Commitment](#), Lilly more than tripled our spend of \$143 million in 2020 to \$491 million in 2023 with Black suppliers and vendors by increasing our awareness and engagement with diverse partners like the U.S. Black Chambers, Indy Chambers and other new Black Business Enterprises\*.

We again offered the Lilly Mentor Protégé program by mentoring seven diverse businesses through an eight-month structured development program. The objective of the program is to develop small/diverse suppliers by sharing Lilly methodologies and industry best practices to increase the protégés' readiness for future business opportunities. Through this program, the supplier builds its network and capabilities for working with Lilly and more broadly with other customers.

Externally, we continued to provide strategic leadership influence by serving on various boards and committees with several advocacy organizations, including being a leader on the Business Equity for Indiana – Procurement Roundtable, which is advocating for and advancing diverse suppliers. To better support small/diverse supplier communities and the Racial Justice Commitment, we also formed a new corporate partnership with United States Hispanic Chamber of Commerce in 2023.

\* All US and Puerto Rico supplier diversity numbers represent a U.S. government fiscal year 2023, beginning on October 1, 2022, through September 30, 2023.

\*\* 2023 is the first reporting year for veteran-owned businesses data.

## Local Suppliers

Lilly is also committed to working with smaller local suppliers where Lilly has facilities, including in Indiana, California, Massachusetts, New Jersey, North Carolina and Puerto Rico. We actively engage with local suppliers and through local advocacy organizations, including:

- Mid-States Minority Supplier Development Council
- Puerto Rico Minority Supplier Development Council
- Carolinas-Virginia Minority Supplier Development Council
- Great Lakes Women's Business Council
- National Association of Women Business Owners (NAWBO) in Indianapolis
- Indy Chamber Hispanic Business Council
- Indy Chamber Business Equity for Indy Procurement Roundtable
- Indy Black Chamber of Commerce



## 2023 Supplier Diversity Impact



### \$2.5 Billion

in economic impact in the U.S.,  
including Puerto Rico



More than  
**\$885 Million**  
in earnings by people in the jobs  
in Lilly's supply chain and  
their communities

# Transparency



## IN THIS SECTION

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[Download Data Sheet](#)

# Our Transparency Approach

We believe transparency is important to ensuring accountability for our sustainability strategy, programs and performance. We disclose relevant information and progress around the management of our sustainability priorities and aim to stay up to date with relevant sustainability and social impact reporting regulation, frameworks and standards that best meet the needs of our stakeholders.



## SASB Index

This report outlines how our existing disclosures align with the recommended metrics for the SASB Biotechnology & Pharmaceuticals standards. All data is for the year ended December 31, 2023, unless otherwise noted.

### IN THIS SECTION

- › Safety of Clinical Trial Participants
- › Access to Medicines
- › Affordability & Pricing
- › Drug Safety
- › Counterfeit Drugs
- › Ethical Marketing
- › Employee Recruitment, Development & Retention
- › Supply Chain Management
- › Business Ethics
- › Activity Metrics

SASB Code	Accounting Metric	Response
<b>Safety of Clinical Trial Participants</b>		
HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	<a href="#">Patient Safety</a>
HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Not Disclosing
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Not Disclosing
<b>Access to Medicines</b>		
HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	<a href="#">U.S. Access &amp; Affordability</a> <a href="#">Global Access &amp; Health</a>
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Lilly does not have products on the PQP
<b>Affordability &amp; Pricing</b>		
HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Zero. Lilly does not pay for delays.
HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	<a href="#">U.S. Access &amp; Affordability</a>
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Not Disclosing

SASB Code	Accounting Metric	Response
<b>Drug Safety</b>		
HC-BP-250a.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	<a href="#">MedWatch: The FDA Safety Information and Adverse Event Reporting Program</a>
HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	<a href="#">FDA Adverse Event Reporting System (FAERS) Public Dashboard FDA</a>
		<a href="#">MedWatch</a>
HC-BP-250a.3	Number of recalls issued, total units recalled	<a href="#">Patient Safety</a>
HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	Not Disclosing
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Not Disclosing
<b>Counterfeit Drugs</b>		
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	<a href="#">Patient Safety</a>
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	<a href="#">Patient Safety</a>
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Not Disclosing

## Ethical Marketing

HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Not Disclosing
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	<a href="#">Business Ethics</a>

## Employee Recruitment, Development &amp; Retention

HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	<a href="#">Employee Experience</a>
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid level managers, (c) professionals, and (d) all others	<a href="#">Employee Experience</a>

## Supply Chain Management

HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third party audit programs for integrity of supply chain and ingredients	<a href="#">Supply Chain Management</a>
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## Business Ethics

HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Not Disclosing
HC-BP-510a.2	Description of code of ethics governing interactions with healthcare professionals	<a href="#">Business Ethics</a>

## Activity Metrics

HC-BP-000.A	Number of patients treated	<a href="#">Our Sustainability Strategy</a>
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	<a href="#">Current Medicines</a> <a href="#">Medicines in Development</a>

## SUSTAINABLE DEVELOPMENT GOALS

As a member of the UN Global Compact, Lilly supports the United Nation's Sustainable Development Goals (SDGs) and works to advance these goals within our sphere of influence. We are inspired by the global vision that the SDGs represent — and we are committed to doing our part to contribute. You can learn more about our efforts toward the SDGs in these areas of the report.



**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**5** GENDER EQUALITY

**Our Action:** We make life better for more than 55 million people around the world who use Lilly medicines. Through investments in people, medicines and health systems, we also aim to reach 30 million people in resource-limited settings annually by 2030. Additionally, in accordance with the Doha Declaration on the TRIPS Agreement, Lilly doesn't pursue or enforce patents in the least developed countries.

[U.S. Access and Affordability](#)

[Global Access & Health](#)

[Community Engagement](#)

[Patient Safety](#)

[Employee Experience](#)

**Our Action:** We're committed to improving educational opportunities for children living in underserved communities in Indianapolis. Lilly and the Lilly Foundation focus on early childhood education, supporting quality schools and STEM (science, technology, engineering and math) education.

[Community Engagement](#)

**Our Action:** We continue to build a dynamic, diverse and inclusive company by embedding diversity, equity and inclusion into our leadership, systems and culture. DEI is core to our business success because it fosters innovation and allows us to connect more closely with our customers.

[Diversity, Equity & Inclusion](#)

[Employee Experience](#)

[Human Rights](#)



**Our Action:** Water is a critical resource that Lilly is committed to using wisely. We continue to assess our water risks as we focus on conserving water, reducing our intake and improving water quality. One-hundred percent of Lilly sites will meet predicted no-effect concentrations (PNEC) for Pharmaceuticals in the Environment by 2030.

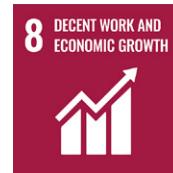
[Water](#)

[Waste](#)



**Our Action:** By 2030, 100% of purchased electricity at Lilly will come from renewable sources and we will be carbon neutral in our own operations (Scope 1 and 2 emissions). Additionally, we're enhancing the tracking and reporting of greenhouse gas emissions across our value chain.

[Climate](#)



**Our Action:** At Lilly, we're committed to maintaining a safe workplace and providing opportunities for employees to learn and develop. We also believe that doing business with a diverse set of suppliers helps the company accelerate innovation and deliver strong results. In 2023, we spent about \$1.5 billion with approximately 1,600 small and/or diverse suppliers.

[Employee Experience](#)

[Supply Chain Management](#)



**Our Action:** We're partnering with industry peers and other organizations with proven track records to improve global health, including through improved NCD care for children and adolescents and supporting community health workers in Africa. We also work with leading disaster relief organizations to provide medicines and support people and communities to help them recover.

[U.S. Access and Affordability](#)

[Global Access & Health](#)

[Community Engagement](#)



**Our Action:** Lilly and the Lilly Foundation launched the Racial Justice Commitment, which aims to address racial inequality and injustices, starting with our Indianapolis community and expanding on the work we are doing inside our company to work toward equity for all.

[Community Engagement](#)

[Patient Safety](#)

[Diversity, Equity & Inclusion](#)



**Our Action:** We optimize the fuel efficiency and reduce the GHG emissions generated by our sales force fleet by choosing vehicles with better fuel economy, and promoting driving and work practices that emphasize safety and fuel savings. We strive for energy efficiency and the use of renewable electricity to support our operations.

[Climate](#)



**Our Action:** We strive to embed environmental innovation early in the product development lifecycle through our focus on green chemistry and end-product engineering. By 2030, 100% of plastic waste will be repurposed for beneficial use, with at least 90% recycled or reused, and zero waste to landfill from routine operations.

[Waste](#)

[Product Stewardship](#)



**Our Action:** By 2030, 100% of purchased electricity at Lilly will come from renewable sources and we will be carbon neutral in our own operations (Scope 1 and 2 emissions). Additionally, we're enhancing the tracking and reporting of greenhouse gas emissions across our value chain.

[Climate](#)



**Our Action:** Lilly continues to be an industry leader in using rFC, a scientifically proven, sustainable alternative to the horseshoe crab-sourced testing reagent, LAL. This is especially important given that several species of crabs are under threat or endangered from habitat loss and overharvesting.

[Water](#)

[Product Stewardship](#)

[Biodiversity](#)



**Our Action:** We strive to protect designated biodiversity rich areas, manage existing biodiversity at our sites and enhance biodiversity within the communities where we operate.

[Biodiversity](#)



**Our Action:** We train all of our employees in ethical business practices and have systems in place to detect violations of laws, regulations and company policies, including those related to anti-corruption. We also expect our vendors to abide by Lilly's human rights standards and our Supplier Code of Business Conduct.

[Business Ethics](#)

[Corporate Governance](#)

[Human Rights](#)



**Our Action:** Through strategic partnerships, Lilly and the Eli Lilly and Company Foundation work to advance government priorities, strengthen local health care systems and improve access to care. Lilly also establishes key partnerships to extend the reach of our impact and engage in targeted social issues that affect our business and employees, with an emphasis on health, racial justice and education.

[U.S. Access and Affordability](#)

[Global Access & Health](#)

[Community Engagement](#)

# TCFD Metrics

TCFD Metrics	Response
<b>TCFD Governance</b>	
Describe the board's oversight of climate-related risks and opportunities	<a href="#">CDP Climate report: C1.1, C1.1a, C1.1b</a> <a href="#">Climate</a>
Describe management's role in assessing and managing climate-related risks and opportunities	<a href="#">CDP Climate report: C1.2, C1.2a</a> <a href="#">Climate</a>
<b>TCFD Strategy</b>	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<a href="#">CDP Climate report: C2.3, C2.3a, C2.4, C2.4a</a> <a href="#">Climate</a>
Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning	<a href="#">CDP Climate report: C2.3a, C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4</a> <a href="#">Climate</a>
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<a href="#">CDP Climate report: C3.2, C3.2a, C3.2b</a> <a href="#">Climate</a>
<b>Risk Management</b>	
Describe the organization's processes for identifying and assessing climate-related risks	<a href="#">CDP Climate report: C2.1, C2.1a, C2.2, C2.2a</a> <a href="#">Climate</a>
Describe the organization's processes for managing climate-related risks	<a href="#">CDP Climate report: C2.1, C2.2</a> <a href="#">Climate</a>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<a href="#">CDP Climate report: C2.1, C2.2</a> <a href="#">Climate</a>
<b>TCFD Metrics and Targets</b>	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<a href="#">CDP Climate report: C4.2, C4.2a, C4.2b, C9.1</a> <a href="#">Climate</a>
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<a href="#">CDP Climate report: C6.1, C6.3, C6.5, C6.5a</a> <a href="#">Climate</a>
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<a href="#">CDP Climate report: C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b</a> <a href="#">Climate</a>

# UN Global Compact Index

1. Statement of continued support by the Chief Executive Officer

[CEO Letter](#)

2. Description of actions:  
Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

[Human Rights](#)  
[U.S. Access & Affordability](#)  
[Global Access & Health](#)  
[Patient Safety](#)  
[Community Engagement](#)

Principle 2:

make sure that they are not complicit in human rights abuses.

[Human Rights](#)  
[Lilly Code of Business Conduct](#)  
[Lilly Supplier Code of Business Conduct](#)

Labor

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

[Human Rights](#)  
[Employee Experience](#)  
[Business Ethics](#)  
[Corporate Governance](#)

Principle 4:

the elimination of all forms of forced and compulsory labor;

[Human Rights](#)  
[Corporate Governance](#)  
[Lilly Supplier Code of Business Conduct](#)

Principle 5:

the effective abolition of child labor; and

[Human Rights](#)  
[Corporate Governance](#)  
[Lilly Supplier Code of Business Conduct](#)

Principle 6:

the elimination of discrimination in respect of employment and occupation.

[Employee Experience](#)  
[Diversity, Equity & Inclusion](#)

Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges;

[Corporate Governance](#)  
[Climate](#)  
[Product Stewardship](#)  
[Supply Chain Management](#)  
[Waste](#)  
[Water](#)  
[CDP Climate Change Response](#)  
[CDP Water Security Response](#)

## Principle 8:

undertake initiatives to promote greater environmental responsibility; and

[Corporate Governance](#)  
[Climate](#)  
[Product Stewardship](#)  
[Supply Chain Management](#)  
[Waste](#)  
[Water](#)  
[CDP Climate Change Response](#)  
[CDP Water Security Response](#)

## Principle 9:

encourage the development and diffusion of environmentally friendly technologies.

[Product Stewardship](#)

## Anti-corruption

## Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

[Corporate Governance](#)  
[Business Ethics](#)  
[Supply Chain Management](#)  
[Lilly Code of Business Conduct](#)  
[Lilly Supplier Code of Business Conduct](#)

## 3. Measurement of outcomes

[Environmental](#)  
[Social](#)  
[Governance](#)  
[SASB Index](#)  
[TCFD Index](#)  
[CDP Climate Change Response](#)  
[CDP Water Security Response](#)

# Reports & Policies

## Reports

- [Sustainability Reporting Archives](#)
- [2023 Year in Review](#)
- [Annual Report and Proxy Statement archive](#)
- [2023 CDP Climate Change Response](#)
- [2023 CDP Water Security Response](#)
- [Bureau Veritas Assurance Statement with Verified Data](#)
- [Basis of Reporting for Key Environmental Sustainability Indicators](#)
- [2023 EEO-1 Report](#)
- [Lilly DEI Impact Report](#)

## Policies

- [Public Policies](#)
- [Business Ethics Policies](#)
- [Lilly Code of Business Conduct \(The Red Book\)](#)
- [Lilly Supplier Code of Business Conduct](#)
- [Protecting People, the Environment and Our Assets](#)
- [Human Rights Policy](#)
- [Privacy Program](#)
- [Tax Principles](#)

- [Principles of Medical Research](#)
- [HCO and HCP Transparency](#)

## Sustainability Bond

- [2022 Sustainability Bond Allocation Report](#)
- [2021 Sustainability Bond Allocation Report](#)
- [Press Release: Lilly Prices First Sustainability Bond to Advance Global ESG Strategy](#)
- [Sustainability Bond Framework](#)
- [Second Party Opinion](#)
- [USD Tender offer and Marketing Notice for Euro/ GBP Bonds with a Sustainability Bond Tranche](#)

## Other resources

- [Key Facts](#)
- [Clinical Development Pipeline](#)
- [Current Medicines](#)
- [Executive Committee](#)
- [Board of Directors](#)
- [Recognitions](#)
- [Investor Information](#)

# About Our Sustainability Report

## *Time period.*

This report represents our sustainability performance for 2023. Data and other updates contained in this digital report are focused on the 2023 calendar year and include our global operations, unless otherwise noted. We also discuss data and trends from previous years where relevant.

## *Scope.*

This report does not include joint ventures, partially owned subsidiaries or outsourced operations. This report may reference the Eli Lilly and Company Foundation, commonly referred to as the Lilly Foundation, established in 1968. The Lilly Foundation is an independent private, tax-exempt organization that makes strategic and philanthropic investments consistent with Lilly's purpose. It may also reference other philanthropic organizations including the Lilly Cares Foundation, a nonprofit organization that offers the Lilly Cares Foundation Patient Assistance Program. This program helps qualified people in need receive Lilly medicines at no cost. Eligibility is determined by each tax-exempt organization.

## *Data measurement and uncertainty.*

Lilly and its affiliates provide medicines to separate charitable organizations that offer free Lilly medicines to qualifying patients. Throughout this report, products are valued at wholesale acquisition costs.

Lilly follows structured processes to collect, evaluate, calculate and validate the data included in this report. We consider external standards in deciding what data to collect and report. The data presented in this report are collected using various methodologies, which in some instances are based on assumptions and estimates in which there are inherent uncertainties and limitations. For example, information may come from third-party sources and operations outside of our control. While we believe such information is reasonably accurate and is based on reasonable principles and methodology, the third-party collection and validation of this data is beyond our direct control. In addition, the achievement of certain sustainability goals and targets may be dependent on the

actions of our partners, suppliers and other third parties, all of which are outside of our control.

Furthermore, environmental data in this report is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The precision of different measurement techniques may vary.

As we improve our methodologies and as new information becomes available, we may continue to revise our estimates and assumptions. Methodology changes may include, without limitation, changes in a calculation, improvements in the quality of data, greater data granularity or updates to available third party-reported data. Such updates may result in material changes to our calculations and may also result in adjustments made to the current and previous periods.

## *Referenced Frameworks.*

Our global health, safety and the environment (HSE) management system is consistent with third-party standards such as the International Organization for Standardization (ISO) ISO 14001, ISO 45001 and the American Chemistry Council's Responsible Care® Management System standards.

We use several external guidelines and measurement frameworks to inform the scope of our reporting. This report has been prepared in accordance with the [Sustainability Accounting Standards Board](#) (SASB) framework for Biotechnology and Pharmaceuticals and informed by the [Task Force on Climate-related Financial Disclosures](#) (TCFD). View all reporting indices and ESG data in the [Transparency section](#).

## *Updates to Reported Information.*

The information in this 2023 Sustainability Report, including the forward -looking statements, are made as of the publication date of May 20, 2024, unless otherwise indicated, and are expressly qualified in their entirety by the risk factors and cautionary statements described above and elsewhere in this report. We undertake no obligation to update the information or forward-looking statements in the report to reflect subsequent events or circumstances. More current information on notable events about the company's sustainability efforts may

be included elsewhere in the company's disclosure, including Forms 10-K, 10-Q and any 8-Ks filed with the Securities and Exchange Commission, its press releases or the [Latest Sustainability Developments](#) page of the company's website.

*Other cautionary information.*

Our approach to the disclosures included in this report differ in significant ways from those included in mandatory regulatory reporting, including under U.S. Securities and Exchange Commission (SEC) rules and regulations. References to, or inclusion of, information in this report should not be construed as a characterization regarding the materiality of such information to our financial results or our operations. While certain matters discussed in this report may be referred to as "significant" or "material," any such significance or materiality should not be read as necessarily rising to the level of materiality used for the purposes of complying with U.S. securities laws or under similar laws in other jurisdictions, even if we use the word "significant," "material," or "materiality" in this report.

This report includes statements regarding various policies, values, standards, approaches, procedures, processes, systems, programs, initiatives, assessments, technologies, practices and similar measures related to our operations ("Policies and Procedures"). References to Policies and Procedures in this report do not represent guarantees or promises about their efficacy or continued implementation, or any assurance that such Policies and Procedures will apply in every case. Such Policies and Procedures are subject to risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. There may be exigent circumstances, factors, or considerations that may cause implementation of other measures or exceptions in specific instances.

Our ability to achieve any stated environmental, social or governance goal, target or objective is subject to numerous factors and conditions, many of which are outside our control. We can give no assurances that any plan, initiative, goal, target, objective, commitment or expectation will be achieved.

This report contains references or links to other websites maintained by third parties over whom we have no control. We make no endorsement of such websites, nor do we make any representations or warranties with respect to any information contained in such third-party websites. Furthermore, use of any such third-party site is at your own risk and will be governed by such third-party's terms and conditions.

*Forward-Looking Statements.*

The 2023 Sustainability Report contains forward-looking statements that are based on management's assumptions, estimates and expectations at the time the statements were posted, including statements regarding our sustainability targets, goals, commitments and programs and other business plans, initiatives, aspirations and objectives. These statements are typically accompanied by the words "aim," "hope," "plan," "estimate," "project," "intend," "expect," "believe," "target," "anticipate" and similar expressions. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Actual results may differ materially due to various factors. The company's sustainability targets, goals and commitments outlined in this report or elsewhere, as well as its operations, results, business, goals and strategy may be affected by factors including, but not limited to, the significant costs and uncertainties in the pharmaceutical research and development process, including with respect to the timing and process of obtaining regulatory approvals; the impact and uncertain outcome of acquisitions and business development transactions and related costs; intense competition affecting our products, pipeline or industry; market uptake of launched products and indications; continued pricing pressures and the impact of actions of governmental and private payers affecting pricing of, reimbursement for, and patient access to pharmaceuticals, or reporting obligations related thereto; safety or efficacy concerns associated with our products; dependence on relatively few products or product classes for a significant percentage of our total revenue and an increasingly consolidated supply chain; the expiration or enforceability of intellectual property protection for certain of our products and competition from generic and biosimilar products, and risks from the proliferation of counterfeit or illegally compounded products; changes in patent law or regulations; information technology system inadequacies, inadequate controls or procedures, security breaches, or operating failures; competitive developments affecting current products and our pipeline; unauthorized access, disclosure, misappropriation or compromise of confidential information or other data in our information technology systems, networks and facilities or those of third parties with whom we share our data and violations of data protection laws or regulations; the impact of global macroeconomic conditions, trade disruptions, disputes, unrest, war, regional dependencies or other costs, uncertainties and risks related to engaging in business globally; unexpected safety or efficacy concerns associated with our products; litigation, investigations or other similar proceedings involving past, current or

future products or commercial activities; issues with product supply and regulatory approvals stemming from manufacturing difficulties, disruptions or shortages, including as a result of unpredictability and variability in demand, labor shortages, third-party performance, quality, cyber-attacks or regulatory actions related to our or our third-party facilities; reliance on third-party relationships and outsourcing arrangements; the use of artificial intelligence or other emerging technologies in various facets of our operations may exacerbate competitive, regulatory, litigation, cybersecurity and other risks; changes or other developments in laws or regulations; regulatory actions related to us, regulatory compliance problems or governmental investigations; and actual or perceived deviation from environmental-, social-, or governance-related requirements or expectations.

For additional information about the factors that affect the company's business, please see the company's latest Forms 10-K, 10-Q, and any 8-Ks filed with the Securities and Exchange Commission. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report.

The logo consists of the word "Lilly" written in a red, cursive, handwritten-style font.

**Eli Lilly and Company**

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