

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Eli Lilly and Company (Lilly) is a global healthcare company committed, since our founding in 1876, to creating high-quality medicines that meet real needs. Our purpose is to unite caring with discovery to create medicines that make life better for people around the world. We discover, develop, manufacture, and market products and related services for human pharmaceuticals.

We are headquartered in Indianapolis, Indiana, USA, and at the end of 2021, employed approximately 35,000 people worldwide. We manufacture and distribute our products through facilities in eight countries. Approximately 8,100 employees are engaged in research and development. We have research and development facilities located in eight countries and conduct clinical research in more than 55 countries. Our products are marketed in approximately 120 countries.

While Lilly's primary contribution to society is the discovery and development of innovative medicines to make life better for people around the world, our ESG strategy, efforts and goals extend to how we operate our business, care for the environment and strengthen communities. We believe our core values of integrity, excellence and respect for people are key to promoting the long-term interests of our shareholders and other company stakeholders. Evidence of our values in action include (i) being named one of the "World's Most Ethical Companies" in 2021 by the Ethisphere Institute, a global leader company in defining and advancing ethical business standards, for the sixth year in a row, (ii) hosting Lilly's 14th annual Global Day of Service in 2021, which had participation by more than 7,500 Lilly employees in 30 countries, and (iii) achieving our 2020 goal of greater than 20% reduction in GHG emissions intensity.

As a global company committed to making life better for people, we acknowledge that climate change is an ever-present reality that is contributing to a reduction in human and environmental health. We recognize our role to seek to reduce our carbon footprint and manage climate-related risks and opportunities to support the transition to a low-carbon economy. 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 GHG emissions over time.

Caution: The information contained in this Climate Change Questionnaire contains forward-looking statements that are based on management's beliefs and expectations at the time the statements were made, including statements regarding our climate and sustainability targets, goals, commitments and programs and other business plans, initiatives, aspirations and objectives. There is no assurance that any such expectations or beliefs will occur or be achieved or that such targets, goals or commitments will be binding on our business decisions and/or management. Forward-looking statements include statements that do not relate solely to historical or current facts, and generally use words such as "aim", "hope", "plan", "estimate", "goal", "intend", "expect", "believe", "target", "anticipate", "will", "may" or similar expressions. Actual results may differ materially due to various risks and uncertainties, including the following factors: the impact of the evolving COVID-19 pandemic (or any other public health threat) and the global response thereto; the significant costs and uncertainties in the pharmaceutical research and development process, including with respect to the timing and process of obtaining regulatory approvals; competitive developments affecting current products and the company's pipeline; regulatory actions regarding currently marketed products; litigation, investigations, or other similar proceedings or the expiration of intellectual property protection involving past, current, or future products or commercial activities; the impact and outcome of business development transactions and related integration costs; the impact of global macroeconomic conditions, inflation, trade disruptions, disputes, unrest, war or costs or uncertainties related to doing business in foreign jurisdictions; issues with product supply and regulatory approvals stemming from manufacturing difficulties, disruptions or shortages, including as a result of demand, labor shortages, third-party performance or regulatory actions relating to our facilities; and changes or developments in laws and regulations, including health care reform. Except as required by law, we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances. You should carefully read the factors described under "Risk Factors" and in cautionary statements in our Form 10-K for the year ended 12/31/2021 and other filings with the Securities and Exchange Commission for a description of certain risks that could, among other things, cause our actual results to differ from these forward-looking statements.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|----------------|----------------|------------------|---|--|
| Reporting year | January 1 2021 | December 31 2021 | No | <Not Applicable> |

C0.3

(C0.3) Select the countries/areas in which you operate.

- Australia
- Brazil
- Canada
- China
- France
- Germany
- India
- Ireland
- Italy
- Japan
- Mexico
- Puerto Rico
- Spain
- Switzerland
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

- Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|--|--------------------------------|
| Yes, an ISIN code | US5324571083 |
| Yes, a CUSIP number | 532457108 |
| Yes, a Ticker symbol | LLY |

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

- Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

| Position of individual(s) | Please explain |
|---------------------------|--|
| Board-level committee | The Directors and Corporate Governance Committee (DCGC) of the Board of Directors is responsible for identifying and bringing to the attention of the 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. The full Board is engaged in strategic environmental, social and governance (ESG) oversight, receiving regular updates on ESG matters at Board meetings, reviewing and approving the company's long-term environmental goals and weighing in on significant strategic investments. When appropriate, the Board reviews and approves strategic climate-related decisions. Examples include the following: 1) the company's climate-related sustainability goals (approval of Lilly's new 2030 Climate goals which were launched in 2021), and 2) approval of capital expenditures above a certain financial threshold. |

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Scope of board-level oversight | Please explain |
|---|---|--------------------------------|---|
| Scheduled – some meetings | <p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p> | <Not Applicable> | <p>Board Oversight: The Directors and Corporate Governance Committee (DCGC) of the Board is responsible for identifying and bringing to the attention of the 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. The full Board is engaged in strategic ESG oversight, receiving regular updates (at least annually) on ESG matters at Board meetings, reviewing and approving the company's long-term environmental goals and weighing in on significant strategic investments. When appropriate, the Board reviews and approves strategic climate-related decisions. 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 annually at a full Board meeting, and relevant enterprise risks are also addressed in periodic business function reviews and at the annual Board and senior management strategy session. ESG Governance Committee: Central to our ESG oversight is our ESG Governance Committee, chaired by our Associate VP-Environmental, Social and Governance 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 ESG mandate that includes leading the coordination of Lilly ESG strategy, evaluating Lilly ESG approach compared to peers and broader environment, leading formal, periodic ESG strategy updates, institutionalizing ESG topics throughout the company, and facilitating execution of ESG reporting activities.</p> |

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

| | Board member(s) have competence on climate-related issues | Criteria used to assess competence of board member(s) on climate-related issues | Primary reason for no board-level competence on climate-related issues | Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future |
|-------|---|---|--|---|
| Row 1 | Yes | Board members are assessed and nominated to achieve a highly skilled group of individuals with various qualities, attributes, experiences, perspectives and professional experiences. Competency in a particular area or subject matter may be determined from a variety of factors, including, without limitation, structured or unstructured learning environments, certifications, relevant work experience, and off-the-job training or experience. | <Not Applicable> | <Not Applicable> |

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

| Name of the position(s) and/or committee(s) | Reporting line | Responsibility | Coverage of responsibility | Frequency of reporting to the board on climate-related issues |
|---|------------------|---|----------------------------|---|
| Other C-Suite Officer, please specify (Senior Vice President and President of Manufacturing Operations) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | Quarterly |

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Senior Vice President and President of Manufacturing Operations, who is a member of the company's Executive Committee and reports directly to the CEO, is responsible for assessing and managing climate-related risks and opportunities. The President of Manufacturing chairs our Global Health, Safety and Environment Committee which meets quarterly and oversees performance related to compliance with environmental regulations, policies, procedures and standards globally, as well as assessing and managing climate-related risks and opportunities, assessing performance against our climate-related goals and driving improvement on environmental performance throughout the organization. The Global Health, Safety and Environmental Committee membership also includes executives and senior leadership from business functions across the company to drive cross-functional alignment and action.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

| | Provide incentives for the management of climate-related issues | Comment |
|-------|---|---|
| Row 1 | Yes | Improvement in certain environmental performance areas, including climate-related issues (e.g., reducing greenhouse gas emissions and improving energy efficiency) are included in the performance expectations for the company's Chairman, President, and CEO, and relevant members of the executive team such as the Senior Vice President and President of Manufacturing. Performance against these goals and expectations is included amongst other factors when evaluating overall executive performance and future compensation awards. |

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

| Entitled to incentive | Type of incentive | Activity incentivized | Comment |
|--------------------------|-------------------|----------------------------|---|
| Corporate executive team | Monetary reward | Emissions reduction target | Improvement in certain environmental performance areas, including climate-related issues (e.g., reducing greenhouse gas emissions and improving energy efficiency) are included in the performance expectations for the company's Chairman, President, and CEO, and relevant members of the executive team such as the Senior Vice President and President of Manufacturing. Performance against these goals and expectations is included amongst other factors when evaluating overall executive performance and future compensation awards. |

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

| | From (years) | To (years) | Comment |
|-------------|--------------|------------|---|
| Short-term | 0 | 1 | We address short-term material issues in our annual business plan. This includes climate change issues, such as our GHG emissions, energy, and product stewardship. In the short-term, we address business objectives to improve business outcomes and performance including energy efficiency, GHG emissions, and waste reduction. |
| Medium-term | 1 | 5 | We track mid-term milestones related to corporate environmental and climate-related goals, including major project milestones and progress toward goals such as percentage of renewable electricity, GHG emissions, and progress toward capital expenditure targets for efficiency projects. |
| Long-term | 5 | 10 | Our long-term strategy focuses on transitioning the energy sources used for our operations to renewable energy and implementing new technologies to support our transition to a low carbon economy. Our long-term goals include securing 100% of purchased electricity from renewable sources, to achieve Carbon Neutrality (scope 1 and scope 2 emissions) by 2030, and to enhance our tracking and reporting of full value-chain emissions (Scope 3). |

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Our organization defines substantive financial or strategic impact as an event that impacts our ability to achieve Lilly's business objectives / pipeline, results in significant financial impact, or disrupts enterprise-wide customer service or operations reliability or impacts brand long term, using a low/medium/high ratings for both "impact" and "likelihood." This results in risks identified on a 3x3 matrix that is used to identify the highest risks to the enterprise. Risk management and monitoring is performed and managed by the Ethics and Compliance Team, as well as the Enterprise Risk Management Team with input from subject matter experts within the business. The enterprise risk management evaluation is performed by the Enterprise Risk Management Team annually. The definitions below are applied across a broad range of enterprise risks such as direct and indirect supply chain business continuity, direct operations, and product supply.

"Impact" is defined in the following manner:

Low: Limited impacts on our ability to achieve Lilly's business objectives/pipeline, OR results in a single year financial impact greater than \$250MM and less than 500MM with little ongoing impact, OR limited disruption of enterprise-wide customer service or operations reliability with no impact on brand.

Medium: Moderately impacts our ability to achieve Lilly's business objectives/pipeline, OR results in a single year financial impact greater than \$500MM and less than \$750MM, with some ongoing impact, OR moderate impact on enterprise-wide customer service or operations reliability or it impacts brand for a limited time.

High: Significantly impacts our ability to achieve Lilly's business objectives/pipeline, OR results in a single year financial impact greater than \$750MM, with ongoing impact, OR significant disruption to enterprise-wide customer service or operations reliability with impacts on brand long term.

"Likelihood" is evaluated in the following manner:

Low: Less than 10% likely to occur; not likely to occur in the time period associated with the company's strategic plans.

Medium: 10-50% likely to occur; event has occurred in the distant past or is moderately likely to occur in the time period associated with the company's strategic plans.

High: Greater than 50% likely to occur; event has occurred in the last 24 months or likely to occur in the time period associated with the company's strategic plans.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

At the company level, we have formal, annual processes for identifying Health, Safety, and Environmental (HSE) issues (including climate change issues) and related risks and opportunities. Our corporate HSE team takes a lead role in ensuring that we stay proactive and responsive to existing, evolving, or emerging climate-related issues. The team is actively engaged throughout the annual Lilly Enterprise Risk Management (ERM) process, particularly in efforts to develop risk profiles for business continuity planning, third party oversight, and disruption of product supply. Formal and ongoing dialogues inform our annual Strategic Plan (SP), which includes updates to key programs and prioritization of issues. These exercises are based on: a) the stage of issue development and our ability to influence in the area; b) the interest to stakeholders and potential impact on our capacity to meet our business objectives; c) peer company activity; and d) response to the issue, extent of actual impacts, and an assessment of Lilly governance and capabilities related to the issue. At the asset level, the corporate HSE team schedules reviews throughout the year both within and outside of the business planning process with corporate, business unit, and functional organizations as well as key Lilly facilities worldwide. Meetings focus on gathering insight and information on Lilly impacts, activities, strengths, and challenges, and providing information on external developments, stakeholder concerns, peer company activity, and intelligence on industry best practice. In these discussions, asset-level risks and opportunities are reassessed based on unique impacts, stakeholders, and business priorities. In addition, manufacturing facilities must maintain formal, approved Business Continuity Plans, based partially on environmental risks. Our ERM process is overseen by the Senior VP, ERM and Chief Compliance Officer and involves a multi-disciplinary team to evaluate company-wide risks. The team annually evaluates risks based on their potential business, financial, and strategic impacts. Our corporate HSE team engages in the ERM risk profiling process for business continuity planning, third party oversight, evolving regulatory environment and disruption of supply risks (both upstream and downstream) including natural disasters and other climate-related risks. For our global supply chain, we identify and assess substantive risks, such as manufacturing issues that could shut down bulk active ingredient sites for six to ten months, drug final dosage finishing manufacturing for two to three months, and packaging for one to two months. The relative significance of climate-related risks in relation to other risks is identified through our ERM program. We evaluate all the risks across our business together. This means that we are looking at HSE risks alongside other risks including employee talent and intellectual property. To be able to compare risks, we look at the magnitude and severity of the risk as well as the total financial impact. In many cases, climate change was an amplifier of existing environmental risks. The identification and assessment of climate-related risks are done at both the company and asset level. The ERM team is accountable for the risk review's quality, content, and comprehensiveness. Throughout the year, the ERM team oversees an array of risks that Lilly is subjected to, including physical, financial, and reputational risks. The ERM team is constantly monitoring the changes in the internal and external environment, to understand and assess emerging risks. We evaluate substantive financial impact when identifying or assessing climate-related risks through our ERM programs. We have worked with our Treasury area and an external consultant to develop scenarios of potential events and what impact these might have on the business. Our ERM and HSE Teams work in tandem to respond to climate-related risks and opportunities that were identified through the developed climate-related scenarios. This process includes reviews of business continuity and emergency response plans for manufacturing facilities and offices, as well as investing in climate-related opportunities to enhance the robustness of Lilly's climate transition. Case Study- Acute Physical Risks: We have identified and assessed the increased likelihood and severity of extreme weather events due to climate change. We conduct annual risk reviews and establish response plans and review business continuity and emergency response plans to insure and protect our facilities, if needed. Case Study- Transition Risk/Opportunity: The EU Emissions Trading System (EU ETS), is a financial transitional risk that Lilly faces in our European operations. Our 2030 goals to secure 100% of purchased electricity from renewable sources, and to achieve Carbon Neutrality in our operations (scope 1 and scope 2 emissions) help us manage and mitigate climate-related financial risks and combat chronic physical climate change risks. For instance, we have enhanced our use of solar electricity to supply our operations. We have installed solar arrays at our sites in Ireland, Spain, France, Italy and India, and we are in the process of installing additional solar arrays at our sites in Ireland, Puerto Rico, and France. Transitioning our electricity purchased to renewable sources has also been identified as an opportunity to lower our direct and indirect operating costs.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

| | Relevance & inclusion | Please explain |
|---------------------|------------------------------|---|
| Current regulation | Relevant, always included | Risks related to current regulations are relevant because our operations are subject to complex federal, state, local, and foreign laws and regulations concerning the environment. Our executive-level Global HSE Committee meets quarterly to discuss programs and performance. Our Public Policy and Compliance Committee of the Board of Directors oversees our non-financial compliance, including recommendations on company policies and practices that relate to public policy and social, political, and economic issues. In addition, we ensure compliance through our HSE Policy Statement, Procedure and Standards, which include our Product Stewardship Standard for our products and Global Engineering Requirements for our operations. An example of this risk type is the risk of increased operational costs associated with emissions trading regulations. Lilly currently participates in the EU Emissions Trading Scheme (EU ETS). We use our annual Enterprise Risk Management process to identify potential costs from current regulations. Lilly is exposed to carbon regulations in the EU that increase utility costs, therefore increasing the prices of products and goods that are manufactured in our EU facilities. To mitigate increased operational costs associated with the EU ETS, we are looking to reduce our dependence on fossil fuels through our energy efficiency initiatives, installation of on-site solar arrays, and evaluating other risks related to potential climate change regulations using our ERM process. |
| Emerging regulation | Relevant, sometimes included | Risks related to emerging regulations are relevant because our operations are subject to complex federal, state, local, and foreign laws and regulations concerning the environment. As new regulations emerge our business may be subject to additional costs or restrictions that could have an impact on our operations. For example, we track emerging regulation including the EU Green Deal and that of carbon pricing in the United States and other regulations related to energy, water, raw materials, and waste. These carbon taxes are anticipated to have a large impact on EU fossil fuel prices which ultimately could lead to rising electricity costs and prices of goods that are manufactured there. We participate in local, regional and national forums to understand and integrate energy management best practice and to support responsible and cost-effective decision-making and policy development, such as our active participation in the U.S. EPA's ENERGY STAR Focus on Energy Efficiency in Pharmaceutical Manufacturing partnership. Engagements like this help us keep abreast of emerging regulations relevant to our operations. |
| Technology | Relevant, always included | Risks related to technology are relevant because driving innovation is core to our business strategy and company's future. Our scientists are working to discover new medicines that will help solve global health challenges in the face of climate change. This is particularly important as the impacts of climate change are threatening to affect the global spread and occurrence of infectious diseases. Lilly continues to reinvest into research and development of new products and technologies. The Science and Technology Committee of the Board of Directors reviews and advises the Board and management on the company's major technology positions and strategies relative to emerging technologies, emerging concepts of therapy and health care, and changing market requirements. We are constantly exploring sustainable innovations that avoid and mitigate environmental degradation, while simultaneously focusing on product quality. For Example, we support these through implementing green chemistry principles in Research and Development and end-product engineering and by reducing the carbon footprint of our value chain and operations. The scalability of digital and technological innovation requires large amounts of energy, which may pose a risk to Lilly's carbon neutrality goal. Some of our efforts to mitigate this risk includes evaluating and incorporating alternative energy sources, new technologies, and best practices for energy use and GHG emission reductions; and implementing new manufacturing technologies that minimize environmental impact, such as continuous flow processes, which we have advanced in the pharmaceutical industry. We have been focused on enhancing our use of solar power to support our operations. |
| Legal | Relevant, always included | Legal-related risks are relevant as our operations are subject to complex federal, state, local, and foreign laws and regulations concerning the environment. For example, Lilly's environmental management system requires compliance with environmental regulations. The United States Environmental Protection Agency (US EPA) changed its regulations related to the service, maintenance, and repair of equipment utilizing hydrofluorocarbon (HFC) refrigerants, which have high global warming potential. Even though Lilly's historic work practices had already addressed HFC gases, in advance of the regulatory change Lilly provided refresher training for technicians, in exceedance of the training US EPA requires, in an effort to ensure responsible refrigerant management and minimized refrigerant emissions. We address material health, safety and environmental (HSE) issues by actively engaging our Global HSE team in the Enterprise Risk Management (ERM) process that annually evaluates risks based on their potential business impacts. At this time, climate-related litigations have not been deemed a material risk. In 2021, we had no climate-related litigation claims. |
| Market | Relevant, always included | Market-related risks are relevant because there has been increasing interest from various stakeholder groups in companies' sustainability performance and their action to mitigate environmental impacts across the product lifecycle. For example, the European Federation of Pharmaceutical Industries and Associations has continued to focus on improving green and sustainable manufacturing in the pharmaceutical industry. Our scientists are working to discover new medicines that will help solve global health challenges in the face of climate change. This is particularly important as the impacts of climate change are threatening to affect the global spread and occurrence of infectious diseases. Lilly reinvests nearly a quarter of our revenue into research and development (R and D), one of the highest rates across all industries. We have increased the speed of several important programs related to R and D. For example, green chemistry and end-product engineering have been a focus area 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. In 2021, we continued 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 tirzepatide, a once-weekly dual glucose-dependent insulinotropic polypeptide (GIP) and glucagon-like peptide-1 (GLP-1) receptor. Over the past decade, peptides have shown great potential as therapeutic targets, but their manufacture routinely involves hazardous reagents, produces high waste-to-mass ratios and requires solvent-intensive purification systems. By investing early in production methods with lower environmental impact, participating companies hope to create the scale necessary for these technologies to become cost-competitive and environmentally friendly in the long run. |
| Reputation | Relevant, always included | Reputational risks are relevant as we continually strive to earn and maintain the trust of the people we serve by acting with integrity to deliver high-quality life-saving medicines. We set the highest standards for our products and performance — and we seek to show caring and respect for all who are touched by our work. We understand that our actions on environmental impacts are extremely important to our reputation as a brand and to all our stakeholders. There are reputational risks that Lilly could be exposed to based on the quality of our response and strategy to combatting climate change and greenhouse gas emissions. For example, if we did not work to calculate and disclose our full value chain scope 3 emissions this year, our customers, patients, investors, and employees could have a negative perception of Lilly, and as such, would impact our brand image as one that is not transparent about our carbon footprint. We strive to uphold integrity, excellence, and respect for people while remaining transparent in our efforts as we continue to build out a resilient climate transition plan. |
| Acute physical | Relevant, always included | Acute physical risks are relevant to Lilly's operations and supply chain in geographies which could be impacted by severe weather events, natural disasters, or other climate-related events. Potential impacts of climate change such as extreme flooding and hurricanes could disrupt our business operations. Our facilities that may be most affected by the risks of extreme climate-related weather events are those in Puerto Rico, South-eastern Asia, Western Europe, and the Eastern Coast of the United States. Extreme events could have effects on our employee health and wellbeing, production facilities, warehouses, manufacturing, and research and development. We evaluate risks and response plans to insure and protect our people and facilities. We establish plans to ensure business continuity and appropriate emergency response, if needed. As climate change worsens, the risks of acute damage to our facilities and supply chain increases. |
| Chronic physical | Relevant, always included | Chronic physical risks are relevant because they may impact our business operations and the communities we serve. Rising global temperatures and extreme events could have effects on our ongoing operational costs, investments, or direct physical impact to production facilities, warehouses, manufacturing, and research and development. Any chronic physical risks that are identified are then managed internally through our Enterprise Risk Management process. A chronic risk that Lilly has identified is water scarcity (quantity and/or quality). Water scarcity is worsening globally with climate change, leading to a decrease in available water for use within pharmaceutical supply chains. This could lead to a disruption in our manufacturing process of pharmaceuticals, due to lack of access to high-quality water supplies needed for direct use. A lack of high-quality water for production will impact our suppliers but could also impact our relationships with local stakeholders. |

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

| | |
|---------------------|---------------------------|
| Emerging regulation | Carbon pricing mechanisms |
|---------------------|---------------------------|

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Our company's operations and scope 1 and scope 2 emissions are subject to various climate change-related regulations globally, such as cap and trade schemes; carbon, fuel and energy taxes; and energy and GHG emissions reporting obligations. We have also noticed an international trend towards increasing and stricter climate-related regulations. All these could potentially result in financial and other impacts across our direct and indirect supply chains (e.g., logistics and energy suppliers), leading to an increase in our operational costs. Currently, we participate in the EU Emissions Trading Scheme (EU ETS), which has plans to reduce free allocation of emissions during the next Phase IV of the EU ETS. Other countries and regions are considering or developing similar programs compatible with the EU ETS in an effort to form a global carbon market. For example, several territories within Canada have set a carbon tax or cap and trade scheme. If similar programs develop or there are changes to EU ETS, there may be a risk of increased costs associated with purchasing carbon credits and complying with any additional record keeping and reporting requirements. Additionally, fuel, energy or carbon taxes and related regulation may be established or increase in countries or regions throughout the world, such as the climate tax levy in the UK.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

62300000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

To calculate the potential financial impact, we utilized a carbon price assumption of \$100 per tonne CO2e. In 2021, we reported total scope 1 and scope 2 emissions of 623,000 tonnes CO2e (2021 market-based emissions). At an indicative cost of \$100 per tonne CO2e this would result in an annual cost of approximately \$62.3 million annually. We aim to address this risk through transition to renewable electricity in alignment with our 2030 environmental goals which include to secure 100% of our purchased electricity from renewable sources and to achieve carbon neutrality in our own operations by driving energy efficiency, investing in renewable energy, and transitioning to other low- or no-carbon energy sources (such as electric vehicles) where possible to help reduce our direct and indirect emissions.

Cost of response to risk

30000000

Description of response and explanation of cost calculation

We aim to address this risk through securing 100% of our purchased electricity from renewable sources, driving energy efficiency, and advancing our transition to low- or no-carbon energy sources (such as electric vehicles) where possible to help reduce our direct and indirect emissions in alignment with our goal to be carbon neutral by 2030. We anticipate investments in energy efficiency and emissions reductions to be approximately \$10 million annually to help achieve our 100% renewable electricity and carbon neutrality goals. Additionally, for new facilities, we are pursuing Leadership in Energy and Environmental Design (LEED) standards and certification, which incorporates energy efficiency, clean/renewable energy and several other sustainability attributes. Based on our current and planned investments and construction of new facilities, the incorporation of LEED into these projects is anticipated to drive approximately \$100 million in spend over the next 5 years (\$20 million per year normalized across the period). Case Study: Our energy efficiency programs are supported by a corporate Energy and Waste Reduction Fund that, in addition to what our individual sites spend, allocates up to \$4 million per year to fund energy improvement projects. For example, we have completed HVAC systems optimization at several sites, including Alcobendas, Fegersheim and the Lilly Technology Center to decrease energy consumed in HVAC systems. This process included reducing air change rates, modifying discharge air temperature set points, changing filtration systems, and air balancing. Collectively, we expect that these projects will save an estimated 17,700 MWh per year. In addition to the Energy and Waste Reduction Fund, we continue to invest in more efficient technologies such as cogeneration and renewable energy. In 2021, Lilly started up a 20-acre solar array in Kinsale, Ireland consisting of over 12,600 solar panels, which at the time of construction, represented the largest solar development in Ireland. The solar array is expected to provide up to 15% of the site's purchased electricity, resulting in an estimated 2,350 tonne reduction in the site's annual carbon footprint. Lilly Kinsale has initiated a 10-acre expansion to this solar array, which is expected to be online by the end of 2022. Manufacturing facilities in Fegersheim, France and Sesto, Italy have solar arrays of 62 kW and 145 kW, respectively.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

| | |
|----------------|-----------------------------|
| Acute physical | Cyclone, hurricane, typhoon |
|----------------|-----------------------------|

Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Changing precipitation patterns, droughts, flooding and tropical cyclones could potentially damage our manufacturing, research and development, and warehousing/distribution facilities and those of our key suppliers, especially in flood prone areas. Our drug manufacturing processes rely on adequate and high-quality water, which could also be disrupted by extreme precipitation, storms, flooding and drought. In recent years, our operations in the US, Mexico, and Puerto Rico were affected by multiple devastating severe weather events and natural disasters such as hurricanes, tropical storms and earthquakes. The manufacturing of many of our active pharmaceutical ingredients (APIs) occurs at our facilities in the US and Puerto Rico. In recent years, these sites were impacted by Hurricanes Florence, Michael, and Maria, causing power outages, food and water shortages. It is anticipated that these events will continue to pose a risk to our operations and product supply.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

95000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We work with our insurance partner, FM Global, to understand and address acute physical climate-related risks. They also help us understand changes in flood zones and address needed response or adaptation measures, including physical provisions such as protective berms. During their most recent facility visits, FM Global estimated our 100-year flood loss at approximately \$95 million.

Cost of response to risk

11000000

Description of response and explanation of cost calculation

In partnership with our insurance provider, we survey our owned and leased facilities, assess risks, and evaluate response plans. Examples include updating flood response plans and identifying berm requirements for our facilities that are subject to flooding, such as those in the Indianapolis area. Additionally, our Health, Safety, and Environment (HSE) team conducts audits and includes a review of Business Continuity Plans (BCPs) of our owned, leased, and contracted sites, which they share with our corporate risk management and loss prevention team. This team, with help from HSE, annually evaluates our Enterprise Risk Management based on their potential business impacts and oversees our global BCP program. They also identify and ensure preparedness for potential major disruptions of product supply due to disasters and evaluate our oversight of third-party partners. Case Study: To ensure energy security at our facility in Puerto Rico, we advanced the design and construction of a 9 MW combined heat and power system (mechanically complete in 2021 and anticipated to be fully operational in 2022). We have also implemented several resiliency efforts including upgraded communications networks, IT systems and facility infrastructure enhancements. This effort is estimated to cost over \$45 million in capital investments over a four-year period. The cost to respond to this risk was estimated at approximately \$11 million annually. This was estimated based on recent historical capital investments that have been made for facility infrastructure and resilience-based projects (\$45 million spent over the past four years).

Comment**Identifier**

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

| | |
|------------------|--|
| Chronic physical | Changing temperature (air, freshwater, marine water) |
|------------------|--|

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Fluctuating temperatures indirectly or directly due to climate change may account for as much as a 3% variance in our energy spending annually. Adequate and stable energy sources are important to support the growth of our business.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Climate risks such as fluctuating temperatures indirectly or directly due to climate change may account for as much as a 3% variance in our energy (electricity and cooling water) spending annually. The potential financial impact related to fluctuating temperatures was calculated to be approximately \$2 million annually. This figure was calculated assuming a 3% increase in energy consumption related to purchased electricity and purchased cooling water.

Cost of response to risk

4000000

Description of response and explanation of cost calculation

Our energy efficiency programs and 2030 renewable electricity and carbon neutrality goals help us mitigate this risk. These programs are driven by strong governance, management systems, metrics and rewards, and they are aligned with our Manufacturing Standards for Operational Excellence (MSOE). We are also utilizing our continuous manufacturing processes for production of some active pharmaceutical ingredients and drug products, which should significantly increase our energy and manufacturing efficiency. We have estimated the cost of response to the risk to be approximately \$4 million annually. This figure was calculated based on historical performance. Past performance has indicated that we are able to maintain purchased energy consumption flat year to year through measures such as driving energy efficiency initiatives. Each year we allocate up to \$4 million annually from a corporate fund to support energy performance improvement projects which helps to mitigate potential increases in our energy use. Although the cost of response potentially outweighs the financial impact of the risk, these energy reduction efforts also support progress toward our greenhouse gas reduction targets including our goal to achieve carbon neutrality in our own operations by 2030. Case Study: We have completed HVAC systems optimization at several sites, including Alcobendas, Fegersheim and the Lilly Technology Center to decrease energy consumed in HVAC systems. This process included reducing air change rates, modifying discharge air temperature set points, changing filtration systems, and air balancing. Collectively, we expect that these projects will save an estimated 17,700 MWh per year.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced direct costs

Company-specific description

Energy consumption at our facilities accounts for approximately 70% of our combined scope 1 and scope 2 emissions. The majority of our manufacturing sites have experienced increased production rates, making energy efficiency and identification of alternative energy sources a high priority. By reducing energy consumption and identifying lower-emission sources of energy, presents the opportunity to drive down operating costs and reduce greenhouse gas emissions. In 2021, we advanced construction of a new 9 megawatt (MW) combined heat and power system at our Puerto Rico facility. Cogeneration, which uses combustion to generate electricity on-site while also recovering usable heat, presents an opportunity to use a lower-emission source of energy, thereby reducing operating costs while improving energy efficiency and reducing GHG emissions of our operations. The project is expected to result in roughly \$5 to 7 million of energy savings annually and approximately 15 to 20 percent reduction in GHG emissions for our Puerto Rico facility. We also operate combined heat and power systems at Lilly sites in Kinsale, Ireland, and Sesto, Italy. Also in 2021, Lilly started up a 20-acre solar array in Kinsale, Ireland consisting of over 12,600 solar panels, which at the time of construction represented the largest solar development in Ireland. The solar array is expected to provide up to 15 percent of the site's purchased electricity, resulting in an estimated 2,350 tonne reduction in the site's annual carbon footprint. Lilly Kinsale has initiated a 10-acre expansion to this solar array, which is expected to be online by the end of 2022.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

5000000

Potential financial impact figure – maximum (currency)

7000000

Explanation of financial impact figure

The project is expected to result in roughly \$5 to 7 million of energy savings annually which was calculated using a range of anticipated energy consumption and energy pricing. This project is also expected to drive approximately 15 to 20 percent reduction in GHG emissions for our Puerto Rico facility. While the economics may vary depending on the price of fuel and the price of purchased electricity in Puerto Rico, the savings are gained from a more efficient conversion of fuel energy to electricity and steam, without the substantial efficiency losses that occur in large power plants and throughout electricity transmission. For example, at an LNG fuel cost of \$14/MMBTU, we are able to generate electricity at \$0.12/kWh, which provides substantial savings from the \$0.21/kWh grid purchase price. Additionally, the waste heat used to generate steam and hot water offsets fuel purchases to generate that same amount of thermal energy in our on-site boilers.

Cost to realize opportunity

11000000

Strategy to realize opportunity and explanation of cost calculation

Our strategy to realize this opportunity is to evaluate and pursue lower-emissions sources of energy such as cogeneration, which uses combustion to generate on-site electricity while also recovering usable heat. Additionally, we continue to pursue the increasing implementation and use of renewable energy such as solar power. We recently introduced a new corporate goal to secure 100% of our purchased energy from renewable sources by 2030. Cogeneration presents another opportunity to reduce GHG emissions in our operations, while also reducing direct operating costs. In 2017, we began the design process for a new 9 megawatt (MW) combined heat and power system at our Puerto Rico facility. In 2021, we completed mechanical installation of the combined heat and power system, with the system anticipated to be fully operational in 2022. The cost of this project is approximately \$45 million over four years. To enhance our use of solar power, in 2021 we started up a 20-acre solar array in Kinsale, Ireland consisting of over 12,600 solar panels, which at the time of construction represented the largest solar development in Ireland. The solar array is expected to provide up to 15% of the site's purchased electricity, resulting in an estimated 2,350 tonne reduction in the site's annual carbon footprint. Lilly Kinsale has initiated a 10-acre expansion to this solar array, which is expected to be online by the end of 2022. We also have active solar installations at our facilities in France, Italy, and India. We are a member of the Renewable Energy Buyers Alliance and are currently evaluating the feasibility of incorporating more low-emission energy sources such as utilizing virtual power purchase agreements and transitioning our sales fleet to electric vehicles to help us realize this opportunity over time. The costs and opportunity of these projects have not yet been quantified so they have not yet been assumed in the associated fields for this question. The cost to respond to this risk was estimated at approximately \$11 million annually. This was estimated based on recent historical capital investments that have been made for facility infrastructure and resilience-based project (\$45 million spend over the past four years). These projects also offer ongoing financial savings over the lifetime of the assets beyond the initial investment that was required to realize the opportunity.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

We are starting to see a shift in customer preferences for products and services with lower environmental footprints, however, we have not yet seen direct evidence that improving our environmental footprint will result in increased product demand. By driving progress in environmental management (such as lower carbon emissions), Lilly has the opportunity to better meet customer preferences and increase our competitive positioning within the marketplace. For Lilly, changing customer preferences (such as preference for products using lower-carbon production practices) have been most evident in Europe, but trends are beginning to emerge in the United States and some other geographies. Opportunities for us to address these changing customer preferences include reducing energy consumption, reducing greenhouse gas emissions, reducing waste generated from our operations, and minimizing packaging materials where possible.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

2830000

Explanation of financial impact figure

Currently, there is no direct evidence that improving our environmental footprint will result in increased product demand because this is an evolving shift in customer preferences. However, if we were to assume that we could achieve a 0.01% increase in sales as a result of shifting customer preference toward the purchase of environmentally friendly products, we could realize a corresponding sales increase of \$2.83 million annually based on 2021 reported revenues (\$28.3 billion total revenue). Based on this assumption, we have indicated a potential financial impact range of \$0 if we see no change demand due to these efforts, to \$2.83 million if we were to see a 0.01% increase in demand.

Cost to realize opportunity

30000000

Strategy to realize opportunity and explanation of cost calculation

Our strategy to realize this opportunity is to reduce our waste and greenhouse gas footprint. To do this, we aim to secure 100% of our purchased energy from renewable sources and to become carbon neutral in our own operations by 2030. We also strive to achieve zero waste to landfill by 2030 with a focus on plastic waste reduction and increasing recycling of waste from our operations. We anticipate our investment in energy efficiency and emissions and waste reductions to be approximately \$10 million annually to help achieve our environmental goals. This includes a combination of investing new energy efficiency, transition to renewable energy, as well as reducing materials and waste associated with manufacturing and packaging. Additionally, for new facilities, we are pursuing Leadership in Energy and Environmental Design (LEED) standards and certification, which incorporates energy efficiency, clean/renewable energy and several other sustainability attributes. Based on our current and planned investments and construction of new facilities, the incorporation of LEED into these projects is anticipated to drive approximately \$100 million in spend over the next 5 years (\$20 million per year normalized across the period).

Comment**Identifier**

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced direct costs

Company-specific description

Lilly identified an opportunity to use more efficient product transportation methods for materials shipped overseas. Utilizing more efficient transportation processes such as ocean shipments rather than air freight can reduce greenhouse gas emissions, reduce packaging volumes, and drive lower costs. In transporting our products, we have made strides in reducing the volume of empty space in the packages we ship, which has increased our overall fleet efficiency and driven down costs. Additionally, we have achieved GHG emission reductions and cost savings by changing the shipping mode for some of our pharmaceutical products from air to sea freight.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Since launching Lilly's "Air-to-Ocean" project, we have shifted the majority of our global shipping lanes from air to sea freight, saving approximately \$50 million over the lifetime of the project (approximately \$10 million annualized), as well improving our environmental footprint by reducing GHG emissions from these shipping lanes by 50%. The financial impact figure includes a reduction in shipping costs from our logistics partners as well as a reduced cost of packaging required during transportation. Another benefit of ocean shipping is an overall reduction in packaging used because less protective packaging is required during transport.

Cost to realize opportunity

500000

Strategy to realize opportunity and explanation of cost calculation

Greenhouse gas emissions from transportation of materials primarily result from fossil fuels burned for road, rail, air, and marine transportation. Our strategy to realize this opportunity includes transitioning overseas freight shipping methods from air to sea freight which not only reduces shipping cost, but also reduces packaging materials and results in lower greenhouse gas emissions. Initially launched in 2015, Lilly's "Air-to-Ocean" project, which is still in operation today, involves partnering with our largest global logistics providers for testing of new shipping methods and routes, assessment of results and risk mitigations, and validation of new shipping lanes. We have transitioned over 50 lanes (short and long distances) from air to sea freight. In 2021, global supply chain challenges have caused us to shift many shipments back to air, however, we anticipate being able to further leverage ocean shipping in the future as supply chains stabilize. To realize this opportunity, there were costs associated with performing shipping studies, validating new shipping lanes, and implementing the required change controls and documentation. The overall investment between qualification studies and personnel time to implement the changes was approximately \$500,000. We continue to invest in our Green Logistics Programs, including formation of a cross-functional Green Team in global logistics who developed a strategy that contains 25 smart goals and aligns efforts across global transportation, global warehousing and distribution to support greener packaging approaches.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

We regularly meet with investors and potential investors to discuss our sustainability strategy, goals and progress, including those related to climate change. In these discussions, we obtain feedback on our plans and how our plans compare with other companies in our industry. We use this feedback to inform our prospective actions in the near and long-term.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your transition plan (optional)

<https://esg.lilly.com/environmental>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

| | Use of climate-related scenario analysis to inform strategy | Primary reason why your organization does not use climate-related scenario analysis to inform its strategy | Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future |
|-------|---|--|---|
| Row 1 | Yes, qualitative | <Not Applicable> | <Not Applicable> |

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

| Climate-related scenario | | Scenario analysis coverage | Temperature alignment of scenario | Parameters, assumptions, analytical choices |
|--------------------------|-----------------------------|----------------------------|-----------------------------------|---|
| Transition scenarios | Bespoke transition scenario | Company-wide | 1.5°C | In alignment with Lilly's strategy to contribute to the transition to a low-carbon economy, we developed scenarios through consultation with an external consultant. These scenarios are further developed to assess potential events that could occur and what impact these might have on the business. The scope of our scenario analysis was inclusive of all our Scope 1 and Scope 2 emissions. This helped inform our climate ambition to transition 100% of purchased electricity to renewable sources, and to become carbon neutral within our Scope 1 and 2 emissions by 2030. The scenario analysis suggested that this climate target is in line with a 1.5°C scenario. This particular identification and assessment of climate-related risks was done at both the company and asset level in the five to ten year timeframe. This time horizon is relevant to our organization because it is aligned with our strategic planning process. Inputs to this process include a formal, annual processes for identifying Health, Safety, and Environmental (HSE) issues (including climate change issues) and related risks and opportunities. Our organization defines substantive financial or strategic impact using low/medium/high ratings for both "likelihood" and "impact". This results in risks identified on a 3x3 matrix that is used to identify the highest risks to the enterprise and inform which scenarios to analyze. The areas of our organization that have been considered as part of the scenario analysis include Lilly's owned or leased facilities, third party suppliers, and product supply/distribution. The results of the scenario analysis have been used to inform our company's strategic decisions such as technology investments, capital/facility investments, and supply chain design decisions. |

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The following are the focal questions we sought to address by using our climate-related scenario analysis: 1. How do we need to change our operating model to adapt to a low carbon economy? 2. What investments do we need to make to effectively manage climate-related risks (physical, transitional, regulatory, etc) 3. What if the price of carbon drastically increases by 2030? 4. How do/will our investors and stakeholders perceive us if we do not capture and disclose our corporate Scope 3 value chain emissions? 5. How will climate-related weather events impact our operations?

Results of the climate-related scenario analysis with respect to the focal questions

The results of the scenario analysis with respect to focal question number one showed that our business units in certain regions such as the EU, would be financially impacted through the rising price of carbon. Purchasing fossil-fuel generated electricity in the long-term would not be in line with our climate goals, could impact our business financially, as well as negatively impact the environment and climate. These results highlighted the need for Lilly to set a goal to secure 100% of purchased electricity from renewable sources and to become carbon neutral in our Scope 1 and 2 operations by 2030. These goals, which were informed in part by the results of the scenario analysis, will mitigate financial, regulatory, transitional, and physical risks related to climate change. Additionally, these results helped to inform the strategic business decision to join the global initiative, RE100, in 2022. The results of the scenario analysis with respect to focal question number two demonstrated that if Lilly decided to continue with business-as-usual greenhouse gas reporting of Scope 1 and 2 only, our business would be subjected to damaging reputational risks. Additionally, we would not be able to understand the extent of our full carbon footprint if we did not capture and measure all our qualitative and quantitative emissions data. That is why in 2021, we engaged with a third-party consultant to calculate Lilly's Scope 3 emissions, so that we can both disclose these emissions to our stakeholders, and to better understand and manage our carbon footprint more holistically. The results of the scenario analysis with respect to focal question number three as one scenario evaluated was the risk of "catastrophic" events (i.e., a severe weather event resulting in a major disruption to a manufacturing site). This influenced our business strategy and has led to new investments in infrastructure and resilience at our Puerto Rico facility including installation of a combined heat and power unit to increase reliability and efficiency of the site energy systems. Additionally at our site in Puerto Rico, we have initiated a project to install an on-site solar array to enhance the site's energy infrastructure and reduce reliance on fossil fuels – this solar array is anticipated to be completed in late-2022.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

| | Have climate-related risks and opportunities influenced your strategy in this area? | Description of influence |
|---------------------------------|---|---|
| Products and services | Yes | Climate-related risks and opportunities have influenced our strategy related to products and services we offer. We are committed to expanding access to Lilly medicines to more people and to partnering with leading experts and organizations to help tackle complex global health challenges. Our strategy is to have a mix of philanthropy and shared value-based approaches to improve health systems and concentrate on diseases where we have deep technical expertise, including diabetes, cancer and other diseases. People most impacted by climate-related risks often live in resource limited areas. Globally, we've established a goal – "Lilly 30x30" – to improve access to quality health care for 30 million people living with limited resources, every year, by 2030. This is in addition to the more than 47 million people we currently reach annually through our medicines. |
| Supply chain and/or value chain | Yes | Climate-related risks and opportunities have influenced our strategy related to our value chain. The environmental impacts that result from pharmaceutical product manufacturing are identified during the research and development stage of our value chain. When we determine these impacts, we carefully consider the materials and products used and identify areas where we can improve their environmental performance. There are several strategic advantages to responsibly addressing the full scope of these environmental impacts throughout our value chain. During the scale-up of medicine production to manufacturing levels in our human pharmaceutical business, we use green chemistry assessments and an Environmental Development Review process to evaluate other potential environmental issues and opportunities. This helps us identify and address potential impacts arising from manufacturing, suggest process improvements and share learning as new medicines transition from the laboratory to manufacturing. We've also bolstered engagement with our suppliers around health, safety, and environmental issues, including environmental capability-building in China and India, and we continue to invest in green chemistry approaches in research and development and end-product engineering. Additionally, we use our Green Logistics Program to identify emission hot spots along our value chain specifically when it comes to transportation. Our Air-to-Sea initiative has informed our strategy by leveraging technology to make better decisions on how we transport our products. |
| Investment in R&D | Yes | The anticipated impacts of climate change and health drive Lilly to reinvest over \$7 billion in 2021 into research and development (R and D) to help combat global health issues and bring new medicines to the people who need them. We consider environmental risks and opportunities from the earliest stages of design and development. We use the 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 human health pharmaceutical production to manufacturing levels. When we are developing a new medicine at Lilly, environmental considerations are a complement to other criteria such as quality, cost and speed to market. A specific case study of a strategic decision Lilly has made in response to climate-related risks is contributing \$100M to the AMR Action fund which was developed with the World Health Organization and aims to bring two to four new antibiotics to patients in the next decade. There is a growing threat of antimicrobial resistance (AMR) which has far reaching impacts as it affects all people of any age, and in any country. As climate change worsens, there is and will be increased suitability for infectious disease transmission. Climate change and antibiotic resistance are closely linked, and without effective antibiotics, treatments, surgeries, transplants, and more, there may be a greater risk of a severe increase in fatalities. Lilly continues to contribute to the AMR fund, in hopes of bringing two to four new antibiotics to patients within the next decade. |
| Operations | Yes | Climate risks such as fluctuating temperatures may account for as much as a 3% variance in our energy spending annually, and a transition risk which we have identified in our operations is our electricity supply. These risks have influenced strategic decisions such as setting the goal to secure 100% of our purchased electricity from renewable sources and to achieve carbon neutrality in our own operations (scope 1 and scope 2) by 2030. In 2021, we launched a new set of environmental goals, including the facilitation of capital investments in technology and physical plant operations that improve environmental performance. We also utilize our established Energy and Waste Reduction Fund to promote the development of environmentally superior, efficient technologies and best-practice sharing across our facilities. Since the creation of this fund in 2006, Lilly has approved more than \$50 million supporting more than 190 projects. These projects collectively save more than one trillion BTUs of energy and avoid more than 131,000 metric tonnes CO2e annually. Examples include: • HVAC Systems Optimization – Sites in Alcobendas, Spain, Fegersheim, France and Indianapolis in the U.S. have completed initiatives to decrease energy consumed in HVAC systems. These projects include chiller replacements, building air handler optimizations and air flow reduction initiatives. Sesto implemented new drive-belt technology on air handlers to improve efficiency. Collectively, we expect that these projects will reduce energy consumption by an estimated 14,000 MWh 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 2021. Our site in Kinsale, Ireland replaced fixed speed pump motors with variable speed motors. In Indianapolis, a chiller was replaced with a new, higher efficiency chiller. One of our sites in Puerto Rico implemented the first phase of a chilled water and cooling tower optimization project, and another site began a substantial efficiency upgrade to its chilled water system that is expected to be completed in mid-2022. These projects are expected to reduce energy consumption by over 12,500 MWh per year. |

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

| | Financial planning elements that have been influenced | Description of influence |
|-------|--|---|
| Row 1 | Direct costs Indirect costs Capital expenditures | Our strategic planning cycle evaluates long-term strategies (five-to-10-year horizon). Lilly's dedicated health, safety and environmental (HSE) reports and discussions are integrated throughout the process. A strategic impact framework addresses our most material issues, including climate change issues such as energy, GHG emissions, and related product stewardship aspects, informs long-term strategic and investment decisions. Our business planning process (one-to-two-year horizon) focuses on financial planning for both operational expenses and capital investments required to execute near-term priorities and operational plans. Corporate HSE is also formally engaged at multiple levels (corporate, business unit, facility) during this process. Short- and long-term risks identified within the planning cycles inform capital investments in technology and physical plant operations that improve environmental performance or operational resiliency. Climate-related risks such as increased risk of natural disasters have led to major capital investments in our facilities. For example, in 2021, we completed construction and start-up of a 9-megawatt combined heat and power system at our Puerto Rico facility which we expect will improve the site's resiliency to severe weather events while achieving approximately 15 to 20% reduction in site GHG emissions. To drive down operational costs and reduce our energy usage through energy efficiency, we continue to perform HVAC and Chilled Water Systems optimizations across our facilities. |

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

Financial Metric

CAPEX

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

1

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

2

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

2

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

We track capital and expenses spent toward achieving our renewable electricity and carbon neutrality goals. This includes investments in items such as energy efficiency, renewable electricity, and carbon reduction projects. Additionally, we have an established Energy and Waste Reduction fund dedicated to supporting capital investments in projects that reduce energy and emissions, or have other environmental sustainability benefits. As we expand our operations, we are pursuing Leadership in Energy and Environmental Design (LEED) standards and certification for new facilities, which will drive an increase in capital expenditures related to aligning our operations with a "1.5degC" world. The future capital expenditure related to these investments is anticipated to increase from approximately 1% of our capital spend to approximately 2% of our capital spend going forward.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

192075

Base year Scope 2 emissions covered by target (metric tons CO2e)

616431

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

808506

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

157227

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

466224

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

623451

% of target achieved relative to base year [auto-calculated]

22.8885128867318

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target covers Scope 1 and 2 of Lilly's company-wide operational emissions.

Plan for achieving target, and progress made to the end of the reporting year

Lilly strives to be carbon neutral by 2030, and we are working to drive GHG emissions reductions throughout our operations. Our initial priority is to reduce emissions as much as possible and transition purchased electricity to renewable sources (100% renewable by 2030) before we purchase offsets to cover the remaining emissions. From 2012 to 2020, we achieved a 26% reduction in absolute emissions. In 2021, we achieved a 3% absolute emissions reduction versus 2020. This reduction was partially driven by energy efficiency improvements and an increase in the use of renewable electricity. The recent reduction initiatives include optimization of our HVAC and Chiller systems at our sites in Alcobendas, Fegersheim, Indianapolis, Kinsale, and Puerto Rico. These initiatives reduce energy consumption by a collective estimated 26,500 MWh per year. In addition to our energy efficiency initiatives, we've prioritized enhancing the installation and use of solar PV's at our facilities. In 2021, 9.6% of our purchased electricity was secured from renewable energy sources.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2021

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2019

Consumption or production of selected energy carrier in base year (MWh)

757378

% share of low-carbon or renewable energy in base year

6.7

Target year

2030

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year

9.9

% of target achieved relative to base year [auto-calculated]

3.42979635584137

Target status in reporting year

New

Is this target part of an emissions target?

Yes, our 100% renewable electricity target is part of our ambition to achieve carbon neutrality in our operations (Scope 1 and Scope 2) by 2030.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

Our 100% renewable electricity goal covers all purchased electricity for Lilly's operations globally.

Plan for achieving target, and progress made to the end of the reporting year

At the end of 2021, 9.9% of our purchased electricity came from renewable sources. A large portion of this renewable electricity is delivered through our utility providers to our sites in Alcobendas, Spain; Kinsale, Ireland; and Bracknell, UK. We plan to increase the amount of renewable electricity utilized as we advance new projects, including solar arrays at our sites in Puerto Rico and France, and an expansion to our solar array in Kinsale, Ireland, and another, smaller solar array in Alcobendas, Spain. We have reduced GHG emissions at key facilities by leveraging solar energy. In July 2021, Lilly started up a 20-acre solar array in Kinsale, Ireland consisting of over 12,600 solar panels, which at the time of construction represented the largest solar development in Ireland. The solar array is expected to provide up to 15% of the site's purchased electricity, resulting in an estimated 2,350 tonne reduction in the site's annual carbon footprint. Lilly Kinsale has initiated a 10-acre expansion to this solar array, which is expected to be online by the end of 2022. In 2019 at our Gurugram site in India, began operating a 40kW rooftop solar array which accounts for 10% of the site's energy needs. Manufacturing facilities in Fegersheim, France and Sesto, Italy have solar arrays of 62 kW and 145 kW, respectively. We are currently in the process of installing additional solar capacity at our manufacturing facilities in Puerto Rico and Fegersheim.

List the actions which contributed most to achieving this target

<Not Applicable>

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|-----------------------|--|
| Under investigation | 16 | 7190 |
| To be implemented* | 32 | 6629 |
| Implementation commenced* | 25 | 40020 |
| Implemented* | 20 | 18678 |
| Not to be implemented | 3 | 52 |

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

| | |
|------------------------------|----------|
| Low-carbon energy generation | Solar PV |
|------------------------------|----------|

Estimated annual CO2e savings (metric tonnes CO2e)

2542

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

320000

Investment required (unit currency – as specified in C0.4)

986000

Payback period

1-3 years

Estimated lifetime of the initiative

21-30 years

Comment

This includes only the Lilly-funded capital for solar arrays installed at Kinsale and at Alcobendas facilities.

Initiative category & Initiative type

| | |
|--------------------------------|--|
| Energy efficiency in buildings | Heating, Ventilation and Air Conditioning (HVAC) |
|--------------------------------|--|

Estimated annual CO2e savings (metric tonnes CO2e)

6355

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

641000

Investment required (unit currency – as specified in C0.4)

352000

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Various HVAC improvements at

Initiative category & Initiative type

| | |
|---|---|
| Energy efficiency in production processes | Other, please specify (Site Utilities Generation and Distribution Improvements) |
|---|---|

Estimated annual CO2e savings (metric tonnes CO2e)

9781

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 1
- Scope 2 (location-based)
- Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1264113

Investment required (unit currency – as specified in C0.4)

6517100

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

This includes several projects involving chilled water systems, cooling towers, compressed air systems, and steam systems.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

| Method | Comment |
|---|---|
| Employee engagement | We support local sustainability teams, events (e.g., global "Energy Day"), and HSEDirections (an energy awareness program for sales and marketing teams) to encourage employees to participate directly in energy-efficient practices and to identify improvement opportunities. Further, Lilly utilizes an assessment process call "treasure hunts," which are multi-day intensive energy and water assessments focused on finding low-cost and no-cost opportunities. These hunts are led by engineering resources from our central engineering group, multiple cross-functional site teams, and site management. |
| Dedicated budget for energy efficiency | We established the Energy and Waste Reduction Fund in 2006 to encourage projects that reduce our overall environmental impacts. We allocate up to \$4 million annually to the fund to support projects that demonstrate opportunities for reductions in emissions and energy use, but which are not covered by local capital budgets. Since 2006, Lilly has invested more than \$50 million in this fund, enabling the implementation of more than 190 projects. These projects collectively save more than one trillion BTUs of energy annually, avoiding more than 131,000 metric tonnes of carbon dioxide equivalent (CO2e) of GHG emissions each year. |
| Compliance with regulatory requirements/standards | We are aware of and compliant with energy efficiency codes and regulatory requirements as they apply to our facility locations around the world, such as the EU Energy Efficiency Directive and local energy codes. Compliance to these requirements is routinely monitored. |
| Internal incentives/recognition programs | Energy savings/GHG reduction objectives and targets are written into appropriate individual performance plans on an annual basis. Results are reviewed annually and are factored into the individual's performance rating and compensation. In addition, we grant annual Health, Safety and Environmental (HSE) Excellence Awards to project teams that demonstrate significant accomplishments - with priority given to accomplishments related to our corporate goals. This includes our corporate energy and GHG emissions reduction goals. Teams, supervisors, or other internal stakeholders apply for the award. Criteria used to select award recipients include quantity of energy and greenhouse gas reduction, return on investment when capital is required, and replication potential. In addition to criteria such as a project's energy and GHG reductions, we consider the potential to replicate the approach in other locations. |

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

| | Change(s) in methodology, boundary, and/or reporting year definition? | Details of methodology, boundary, and/or reporting year definition change(s) |
|-------|---|---|
| Row 1 | Yes, a change in boundary | In 2021, we advanced our efforts towards the tracking and reporting our FULL Scope 3 (value-chain) emissions. This has changed our emissions boundary as we've included all relevant Scope 3 categories in our emissions calculation for this reporting year (previous years only included a limited boundary of Scope 3 categories). |

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

| | Base year recalculation | Base year emissions recalculation policy, including significance threshold |
|-------|---|---|
| Row 1 | No, because the impact does not meet our significance threshold | Our threshold for recalculating base-year emissions related to a boundary change is if the boundary change would impact calculations related to an emissions reduction target relative to that base-year. We do not currently have a scope 3 emissions reduction target that references a base-year, therefore, the inclusion of our full Scope 3 emissions in the 2021 reporting does not require a recalculation of previous emissions. |

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

192075

Comment

2019 represents the year that our Carbon Neutrality analysis and strategy development was based on. Additionally, 2019 was the last full year prior to the Covid-19 pandemic, so 2020 and 2021 are not considered as typical years due to impacts from the pandemic such as reduced on-site workforce presence.

Scope 2 (location-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

596000

Comment

2019 represents the year that our Carbon Neutrality analysis and strategy development was based on. Additionally, 2019 was the last full year prior to the Covid-19 pandemic, so 2020 and 2021 are not considered as typical years due to impacts from the pandemic such as reduced on-site workforce presence.

Scope 2 (market-based)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

466000

Comment

2021 is the first year that we have calculated and verified our market-based emissions reporting for Scope 2 emissions.

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

2434210

Comment

Category 1 emissions calculations are inclusive of Category 2 emissions. This is because, when calculating our Scope 3 Category 1 emissions this year, we were not able to reasonably separate Category 2 from spend data. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 2: Capital goods

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

Due to difficulty in being able to accurately split data categories between Capital Goods and other Purchased Goods and Services, Capital goods emissions are included within Category 1 Purchased Goods and Services. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

116387

Comment

2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

141255

Comment

2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 5: Waste generated in operations

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

18387

Comment

2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 6: Business travel

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

8581

Comment

2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 7: Employee commuting

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

25108

Comment

2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 8: Upstream leased assets

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

Emissions from upstream leased assets are included within Scope 1 and 2 reporting. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

173777

Comment

2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 10: Processing of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

This category is not relevant to our operations because sold products require no further processing. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 11: Use of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

The use of our products does not generate carbon emissions, this category has been deemed not relevant. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

69606

Comment

2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 13: Downstream leased assets

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

Emissions from downstream leased assets are included within Scope 1 and 2 reporting. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 14: Franchises

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

We have no franchises, this category is not relevant to our operations. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3 category 15: Investments

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

We have no other significant investments, this category is not relevant to our operations. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3: Other (upstream)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

We have no other upstream emissions that are not already reported. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

Scope 3: Other (downstream)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

We have no other downstream emissions that are not already reported. 2021 is the first year that we have performed a detailed assessment of all relevant categories of our Scope 3 emissions.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

157227

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Lilly calculates and can reports both location-based and market-based Scope 2 figures.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

487954

Scope 2, market-based (if applicable)

466224

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2434210

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Category 1 emissions calculations are inclusive of Category 2 emissions. This is because, when calculating our Scope 3 Category 1 emissions this year, we were not able to reasonably separate Category 2 from spend data.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The calculation of Category 2 Capital Goods emissions has been included in Category 1- Purchased Goods and Services calculation. This is because, when calculating our Scope 3 emissions this year, we could not reasonably separate Category 2 from spend data.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

116387

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

141255

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

18387

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Business travel**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

8581

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

30

Please explain**Employee commuting****Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

25108

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain**Upstream leased assets****Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category is determined as not applicable. It is not relevant because emissions from leased assets are included within Scope 1 and 2 reporting.

Downstream transportation and distribution**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

173777

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain**Processing of sold products****Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category is determined as not applicable. It is not relevant because sold products require no further processing.

Use of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category is determined as not applicable. It is not relevant because there are no additional emissions associated with the use of Lilly's products.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

69606

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category is determined as not applicable. It is not relevant because emissions from leased assets are included within Scope 1 and 2 reporting.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category is determined as not applicable. It is not relevant because Lilly does not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category is determined as not applicable. It is not relevant because there are no additional investments that are not already included in reported data.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category is determined as not applicable. It is not relevant because there are no additional upstream emission that are not already reported.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category is determined as not applicable. It is not relevant because there are no additional downstream emission that are not already reported.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00002278

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

645231

Metric denominator

unit total revenue

Metric denominator: Unit total

28318400000

Scope 2 figure used

Location-based

% change from previous year

21.2

Direction of change

Decreased

Reason for change

In 2021, our emissions intensity per unit revenue (emissions per dollar revenue) decreased by 21.2% compared to 2020. (2021 intensity minus 2020 intensity of divided by 2020 intensity times 100 = percent change. $(0.00002278 - 0.00002890)/0.00002890 \times 100 = -21.7$ (21.7% decrease from 2020 to 2021). This emissions per dollar revenue decrease was driven by a combination of emissions reductions as well as an increase in revenue over the same period. Revenue increase over this time period was associated with higher demand for our product resulting in higher production output from our operations.

Intensity figure

0.03271

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

645231

Metric denominator

square foot

Metric denominator: Unit total

19726324

Scope 2 figure used

Location-based

% change from previous year

6.8

Direction of change

Decreased

Reason for change

In 2021, our emissions intensity per unit square foot of facility space(emissions per sq ft) decreased by 6.8% compared to 2020. (2021 intensity minus 2020 intensity of divided by 2020 intensity times 100 = percent change. $(0.03271 - 0.03510)/0.03510 \times 100 = -6.8$ (6.8% decrease from 2020 to 2021). This emission per square foot decrease was driven by emissions reductions, partially offset by a slight decrease in square footage over the same period.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

| Greenhouse gas | Scope 1 emissions (metric tons of CO2e) | GWP Reference |
|----------------|---|---|
| CO2 | 156937 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| CH4 | 127 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| N2O | 212 | IPCC Fifth Assessment Report (AR5 – 100 year) |

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|--|--------------------------------------|
| Australia | 234 |
| Brazil | 156 |
| Canada | 940 |
| China | 131 |
| Turkey | 426 |
| France | 7390 |
| Germany | 3614 |
| Ireland | 30816 |
| Italy | 14034 |
| Japan | 7883 |
| Mexico | 1463 |
| Puerto Rico | 31525 |
| Spain | 5665 |
| United Kingdom of Great Britain and Northern Ireland | 141 |
| United States of America | 51227 |
| Russian Federation | 544 |
| Other, please specify (Other / Rest of World) | 1087 |

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

| Activity | Scope 1 emissions (metric tons CO2e) |
|-----------------------|--------------------------------------|
| Stationary Combustion | 95376 |
| Mobile Combustion | 51198 |
| Refrigerants | 10702 |

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|--|--|--|
| Australia | 740 | 740 |
| Brazil | 322 | 322 |
| Canada | 9 | 9 |
| China | 29432 | 29432 |
| France | 1956 | 1956 |
| Germany | 213 | 213 |
| Ireland | 17740 | 768 |
| Italy | 4860 | 4860 |
| Japan | 3909 | 3909 |
| Mexico | 1079 | 1079 |
| Puerto Rico | 61664 | 61664 |
| Spain | 4030 | 0 |
| United Kingdom of Great Britain and Northern Ireland | 769 | 40 |
| United States of America | 354073 | 354073 |
| Switzerland | 2 | 2 |
| Algeria | 96 | 96 |
| Argentina | 160 | 160 |
| Austria | 49 | 49 |
| Belgium | 114 | 114 |
| Bosnia & Herzegovina | 22 | 22 |
| Bulgaria | 18 | 18 |
| Chile | 12 | 12 |
| Colombia | 32 | 32 |
| Costa Rica | 1 | 1 |
| Croatia | 5 | 5 |
| Cyprus | 33 | 33 |
| Czechia | 135 | 135 |
| Denmark | 35 | 35 |
| Egypt | 113 | 113 |
| Finland | 11 | 11 |
| Greece | 946 | 946 |
| Hungary | 62 | 62 |
| India | 2085 | 2085 |
| Indonesia | 5 | 5 |
| Israel | 115 | 115 |
| Kazakhstan | 49 | 49 |
| Latvia | 3 | 3 |
| Lebanon | 212 | 212 |
| Lithuania | 1 | 1 |
| Malaysia | 509 | 509 |
| Morocco | 20 | 20 |
| Netherlands | 215 | 215 |
| Norway | 1 | 1 |
| Pakistan | 67 | 67 |
| Peru | 24 | 24 |
| Philippines | 4 | 4 |
| Poland | 143 | 143 |
| Portugal | 29 | 29 |
| Qatar | 3 | 3 |
| Romania | 55 | 55 |
| Russian Federation | 76 | 76 |
| Saudi Arabia | 132 | 132 |
| Serbia | 19 | 19 |
| Singapore | 465 | 465 |
| Slovakia | 7 | 7 |
| Slovenia | 17 | 17 |
| South Africa | 259 | 259 |
| Republic of Korea | 357 | 357 |
| Sweden | 2 | 2 |
| Taiwan, China | 193 | 193 |
| Thailand | 61 | 61 |
| Turkey | 85 | 85 |
| Ukraine | 10 | 10 |
| United Arab Emirates | 89 | 89 |
| Viet Nam | 1 | 1 |

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

| Activity | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|---------------------------|--|--|
| Electricity consumption | 347909 | 326227 |
| Chilled water consumption | 247 | 247 |
| Steam consumption | 137801 | 137801 |

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|--|---------------------|------------------------------|---|
| Change in renewable energy consumption | 2003 | Decreased | 0.3 | We increased our consumption of renewable electricity due to the startup on an on-site solar array at our site in Kinsale, Ireland. This new solar field resulted in a 2,003 tonne reduction in emissions, which represents approximately 0.3% of our gross global Scope 1 and Scope 2 location-based emissions (2,003 tonne reduction divided by / 709,572 tonne total from 2020 x 100 = 0.3%) |
| Other emissions reduction activities | 18678 | Decreased | 2.6 | This is the estimated GHG reduction from 20 implemented energy saving projects. The sum of the emissions reductions from the 20 projects was estimated at 18,678 tonnes which represents approximately 2.6% of our 2020 Scope 1 and Scope 2 location-based emissions (18,678 tonne reduction divided by / 709,572 tonne total from 2020 x 100 = 2.6%) |
| Divestment | 0 | No change | 0 | There were no significant divestments during this period. |
| Acquisitions | 0 | No change | 0 | There were no significant acquisitions during this period. |
| Mergers | 0 | No change | 0 | There were no mergers during this period. |
| Change in output | 0 | No change | 0 | N/A |
| Change in methodology | 0 | No change | 0 | N/A |
| Change in boundary | 0 | No change | 0 | N/A |
| Change in physical operating conditions | 0 | No change | 0 | N/A |
| Unidentified | 34499 | Decreased | | The impact of production mix and volume changes across a complex global network was not isolated and assessed for GHG emission impact. All other emissions reductions not already included in the categories above account for 34,499 tonnes reduction, which represents a 4.9% from 2020 to 2021 (34,499 divided by 709,572 tonnes scope 1 and 2 emissions from 2020 x 100 = 4.9%). |
| Other | 0 | No change | 0 | N/A |

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

| | Indicate whether your organization undertook this energy-related activity in the reporting year |
|--|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | Yes |
| Consumption of purchased or acquired steam | Yes |
| Consumption of purchased or acquired cooling | Yes |
| Generation of electricity, heat, steam, or cooling | Yes |

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|---|----------------------------|----------------------------|--------------------------------|---|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 689377 | 689377 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 69930 | 641032 | 710962 |
| Consumption of purchased or acquired heat | <Not Applicable> | 0 | 0 | 0 |
| Consumption of purchased or acquired steam | <Not Applicable> | 0 | 608710 | 608710 |
| Consumption of purchased or acquired cooling | <Not Applicable> | 0 | 105 | 105 |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 336 | <Not Applicable> | 336 |
| Total energy consumption | <Not Applicable> | 70266 | 1939224 | 2009490 |

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | Yes |
| Consumption of fuel for the generation of heat | Yes |
| Consumption of fuel for the generation of steam | Yes |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | Yes |

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

114598

MWh fuel consumed for self-generation of electricity

5186

MWh fuel consumed for self-generation of heat

43472

MWh fuel consumed for self-generation of steam

66228

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

712

Comment

These values are determined based on available metering and engineering estimates. This is comprised of all Number 2 Fuel Oil (Diesel Fuel).

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

370266

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

59790

MWh fuel consumed for self-generation of steam

199772

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

110704

Comment

These values are determined based on available metering and engineering estimates. This is comprised of Natural Gas and Liquefied Natural Gas.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

204514

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

178164

MWh fuel consumed for self-generation of steam

26350

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

These values are determined based on available metering and engineering estimates. This category contains consumption data for propane, Jet Fuel A, and Gasoline.

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

689378

MWh fuel consumed for self-generation of electricity

5186

MWh fuel consumed for self-generation of heat

281426

MWh fuel consumed for self-generation of steam

291350

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

111416

Comment

Includes Natural Gas, Fuel Oil #2/Diesel, Propane, Gasoline, and Jet Fuel A.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

| | Total Gross generation (MWh) | Generation that is consumed by the organization (MWh) | Gross generation from renewable sources (MWh) | Generation from renewable sources that is consumed by the organization (MWh) |
|-------------|------------------------------|---|---|--|
| Electricity | 50710 | 50659 | 2391 | 2340 |
| Heat | 281426 | 281426 | 0 | 0 |
| Steam | 283622 | 283622 | 0 | 0 |
| Cooling | 664608 | 664608 | 0 | 0 |

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Purchase from an on-site installation owned by a third party

Energy carrier

Electricity

Low-carbon technology type

Solar

Country/area of low-carbon energy consumption

Ireland

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2003

Country/area of origin (generation) of the low-carbon energy or energy attribute

Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2021

Comment

Solar PV array constructed and owned by a third-party on land owned by Eli Lilly and Company. The power is supplied under a long-term power purchase agreement (PPA) contract.

Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Country/area of low-carbon energy consumption

Ireland

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

49220

Country/area of origin (generation) of the low-carbon energy or energy attribute

Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2021

Comment

Kinsale, Ireland manufacturing facility was under contract for 100% renewable electricity in 2021.

Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Country/area of low-carbon energy consumption

Spain

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

15535

Country/area of origin (generation) of the low-carbon energy or energy attribute

Spain

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2021

Comment

The Alcobendas, Spain manufacturing plant was under contract for 100% renewable energy in 2021.

Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2862

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2021

Comment

Lilly House facility was under contract for 100% renewable electricity up until the sale of the site in November 2021.

Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

311

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2021

Comment

Arlington Square facility in the United Kingdom was under contract for 100% renewable energy from April - December 2021.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Algeria

Consumption of electricity (MWh)

190

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

190

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Argentina

Consumption of electricity (MWh)

496

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

496

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Australia

Consumption of electricity (MWh)

914

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

914

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Austria

Consumption of electricity (MWh)

326

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

326

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Belgium

Consumption of electricity (MWh)

567

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

567

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Bosnia & Herzegovina

Consumption of electricity (MWh)

29

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

29

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Brazil

Consumption of electricity (MWh)

3226

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3226

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Bulgaria

Consumption of electricity (MWh)

40

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

40

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Canada

Consumption of electricity (MWh)

548

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

548

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Chile

Consumption of electricity (MWh)

30

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

30

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

China

Consumption of electricity (MWh)

29942

Consumption of heat, steam, and cooling (MWh)

22725

Total non-fuel energy consumption (MWh) [Auto-calculated]

52667

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Colombia

Consumption of electricity (MWh)

199

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

199

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Costa Rica

Consumption of electricity (MWh)

64

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

64

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Croatia

Consumption of electricity (MWh)

33

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

33

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Cyprus

Consumption of electricity (MWh)

50

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

50

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Czechia

Consumption of electricity (MWh)

272

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

272

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Denmark

Consumption of electricity (MWh)

205

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Egypt

Consumption of electricity (MWh)

232

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

232

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Finland

Consumption of electricity (MWh)

97

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

97

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

France

Consumption of electricity (MWh)

35516

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

35516

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Germany

Consumption of electricity (MWh)

531

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

531

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Greece

Consumption of electricity (MWh)

1733

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1733

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Hungary

Consumption of electricity (MWh)

245

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

245

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

India

Consumption of electricity (MWh)

2812

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2812

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Indonesia

Consumption of electricity (MWh)

7

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

7

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Ireland

Consumption of electricity (MWh)

84530

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

84530

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Israel

Consumption of electricity (MWh)

232

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

232

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Italy

Consumption of electricity (MWh)

32246

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

32246

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Japan

Consumption of electricity (MWh)

7786

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

7786

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Kazakhstan

Consumption of electricity (MWh)

76

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

76

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Latvia

Consumption of electricity (MWh)

20

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

20

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Lebanon

Consumption of electricity (MWh)

293

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

293

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Lithuania

Consumption of electricity (MWh)

17

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

17

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Malaysia

Consumption of electricity (MWh)

769

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

769

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Mexico

Consumption of electricity (MWh)

2366

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2366

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Morocco

Consumption of electricity (MWh)

31

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

31

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Netherlands

Consumption of electricity (MWh)

514

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

514

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Norway

Consumption of electricity (MWh)

67

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

67

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Pakistan

Consumption of electricity (MWh)

171

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

171

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Peru

Consumption of electricity (MWh)

119

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

119

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Philippines

Consumption of electricity (MWh)

6

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

6

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Poland

Consumption of electricity (MWh)

202

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

202

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Portugal

Consumption of electricity (MWh)

98

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

98

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Puerto Rico

Consumption of electricity (MWh)

88536

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

88536

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Qatar

Consumption of electricity (MWh)

5

Consumption of heat, steam, and cooling (MWh)

5

Total non-fuel energy consumption (MWh) [Auto-calculated]

10

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Romania

Consumption of electricity (MWh)

163

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

163

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Russian Federation

Consumption of electricity (MWh)

214

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

214

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Saudi Arabia

Consumption of electricity (MWh)

255

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

255

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Serbia

Consumption of electricity (MWh)

26

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

26

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Singapore

Consumption of electricity (MWh)

1196

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1196

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Slovakia

Consumption of electricity (MWh)

46

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

46

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Slovenia

Consumption of electricity (MWh)

67

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

67

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

South Africa

Consumption of electricity (MWh)

290

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

290

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Spain

Consumption of electricity (MWh)

15797

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

15797

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Sweden

Consumption of electricity (MWh)

119

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

119

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Switzerland

Consumption of electricity (MWh)

87

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

87

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Taiwan, China

Consumption of electricity (MWh)

346

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

346

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Thailand

Consumption of electricity (MWh)

125

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

125

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Turkey

Consumption of electricity (MWh)

183

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

183

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Ukraine

Consumption of electricity (MWh)

26

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

26

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United Arab Emirates

Consumption of electricity (MWh)

172

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

172

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)

3284

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3284

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United States of America

Consumption of electricity (MWh)

439404

Consumption of heat, steam, and cooling (MWh)

587994

Total non-fuel energy consumption (MWh) [Auto-calculated]

1027398

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Viet Nam

Consumption of electricity (MWh)

2

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Hong Kong SAR, China

Consumption of electricity (MWh)

100

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

100

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics**C9.1****(C9.1) Provide any additional climate-related metrics relevant to your business.****C10. Verification****C10.1****(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| | Verification/assurance status |
|--|--|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | Third-party verification or assurance process in place |

C10.1a**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.****Verification or assurance cycle in place**

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

EliLilly_Assurance_Statement_v5_27Jul22_Issued.pdf

Page/ section reference

All

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

EliLilly_Assurance_Statement_v5_27Jul22_Issued.pdf

Page/ section reference

All

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

EliLilly_Assurance_Statement_v5_27Jul22_Issued.pdf

Page/ section reference

All

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

- Scope 3: Purchased goods and services
- Scope 3: Capital goods
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Upstream transportation and distribution
- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Upstream leased assets
- Scope 3: Investments
- Scope 3: Downstream transportation and distribution
- Scope 3: Processing of sold products
- Scope 3: Use of sold products
- Scope 3: End-of-life treatment of sold products
- Scope 3: Downstream leased assets
- Scope 3: Franchises

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

EliLilly_Assurance_Statement_v5_27Jul22_Issued.pdf

Page/section reference

All

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

| Disclosure module verification relates to | Data verified | Verification standard | Please explain |
|---|--------------------|-----------------------|---|
| C8. Energy | Energy consumption | ISAE3000 | Bureau Veritas verified our 2021 total energy consumption metric and provided a statement of limited assurance for this metric in accordance with ISAE 3000 (Revised). We retain a verification service provider to perform this review on an annual basis to assess progress against our renewable energy goals and other data. As described in C4.2a, our goal is to secure 100% of our purchased electricity from renewable sources. EliLilly_Assurance_Statement_v5_27Jul22_Issued.pdf |

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

18

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2021

Period end date

December 31 2021

Allowances allocated

7582

Allowances purchased

20826

Verified Scope 1 emissions in metric tons CO₂e

157227

Verified Scope 2 emissions in metric tons CO₂e

466224

Details of ownership

Facilities we own and operate

Comment

The reported percent of scope 1 emissions covered by the EU ETS is based on Lilly's total scope 1 emissions globally - not just those scope 1 emissions at facilities subject to EU ETS. The percent of scope 2 emissions covered by EU ETS is zero because the program covers only emissions from on-site combustion processes, which are considered scope 1 emissions. Similarly, the Verified Scope 2 emissions metric is reported as zero because EU ETS does not include scope 2 emissions. Our emissions within the scope of EU Emissions Trading Schemes in 2021 was 28,408 tonnes out, which accounts for 18% of our total scope 1 emissions of 157,227 tonnes.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The EU ETS applies to two manufacturing facilities we own in Europe. At each of our facilities, our overall strategy is to improve energy and GHG efficiency in line with our global energy and GHG efficiency targets, with goals of limiting our obligations under the EU ETS and being more resilient to potential price changes. To meet the specific obligations of the EU ETS, we use a global third-party organization that specializes in emissions trading to advise on trading strategy and compliance.

Case Study: The application of our strategy is demonstrated through efforts to actively reduce our emissions at our two facilities directly included in the program and at our facilities throughout Europe that are indirectly paying more for energy.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

1

% total procurement spend (direct and indirect)

10

% of supplier-related Scope 3 emissions as reported in C6.5

15

Rationale for the coverage of your engagement

At Lilly, we've made it a priority to collect supplier data from key partners to provide us with a greater understanding of our Scope 3 emissions. Having a holistic view of our entire carbon footprint enables us to verify emission hot-spots upstream and downstream of our value chain. Where we do not have access to supplier-specific data, we estimate emissions based on supplier spend.

Impact of engagement, including measures of success

Collecting supplier data increases our ability to manage our emissions to meet our future climate targets. The transportation of our products has been identified as an area where we've used data to implement low carbon alternatives of transport. For years, Lilly has worked with our third-party transportation suppliers to use more efficient product transportation methods for materials shipped overseas. Through utilizing more efficient transportation processes, such as ocean shipments rather than air freight, we're able to reduce greenhouse gas emissions, reduce packaging volumes, and drive lower costs. In transporting our products, we have made strides in reducing the volume of empty space in the packages we ship, which has increased our overall fleet efficiency while simultaneously being cost effective for our consumers. Additionally, we have achieved GHG emission reductions and cost savings by changing the shipping mode for some of our pharmaceutical products from air to ocean. We measure success through the following: 1) the number of shipping lanes converted from air to ocean (without impact to customer supply metrics); 2) percent reduction in greenhouse gas emissions from shipping; and 3) cost savings achieved. This "Air-to-Ocean" project has resulted in a 50 percent decrease in transportation emissions associated with the specific shipping lanes where implemented. Although COVID-19 has made a substantial impact on the transportation of our supply, limiting access to low carbon transport alternatives, we've kept the Air-to-Ocean project a priority where possible.

Comment

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Other, please specify (Working with suppliers to reduce use of packaging and environmental impact of packaging.)

% of suppliers by number

1

% total procurement spend (direct and indirect)

1

% of supplier-related Scope 3 emissions as reported in C6.5

1

Rationale for the coverage of your engagement

We've prioritized making changes to the design of our packaging with our suppliers to reduce and mitigate our negative environmental impact and work towards a circular economy. For example, in 2021, we changed the design of our Taltz product packaging to enhance the sustainability of the product, creating positive impacts along our value chain.

Impact of engagement, including measures of success

The original product design of our Taltz packaging has been developed to save space, waste, emissions, and costs. The original Taltz packaging consisted of typical paperboard and pieces of Velcro, which were manually assembled at a supplier and then transported to our Lilly facilities prior to shipment. This original design was found to be inefficient as it used an unnecessary amount of space and required multiple truck loads to transport. This was identified as an issue within our supply chain which required changes to be made to decrease our environmental impact and increase supplier sustainability. The new packaging focuses on many facets of sustainability while maintaining a customer-centric product. We developed a line that could automate the process which removed the need for manual assembly at the supplier. Additionally, the Velcro material was removed, and we developed a package with only a single material. The cost savings from these changes are approximately \$19M per year. We have also seen a significant reduction in shipping space, as the new design does not require a full truck for transport. This change has increased the available space for more products and reduced the frequency of trips from the supplier. Overall, this new packaging design has decreased the number of materials used and created a more efficient transportation process which has reduced our environmental impact.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

| | |
|-----------------------|---|
| Other, please specify | Other, please specify (Evaluate stakeholder and customer input through a targeted survey and feedback received through our Lilly Answers Center call line and other engagements.) |
|-----------------------|---|

% of customers by number

1

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Our Board and management actively engage in the assessment, management and oversight of environmental, social and governance (ESG) matters pertinent to our business. We identify issues that matter most to our business and develop robust strategies to address them. To identify issues, we engage with a variety of stakeholders, including customers, and incorporate their feedback as appropriate. Additionally, we utilize relevant feedback received from The Lilly Answers Center, a hotline that customers can use to provide feedback or receive answers to their questions related to Lilly and Lilly products. Based on feedback from patients and healthcare providers, Lilly has identified that one area of opportunity is to improve safe sharps disposal practices through education efforts.

Impact of engagement, including measures of success

We have provided education to patients and caregivers on proper disposal of medicines, as well as disposal of syringes, needles, and other sharps used in home settings. We communicate this information to patients through product user manuals and through The Lilly Answers Center, a hotline that answers frequently asked questions and provides metrics to our management team on the type and volume of inquiries we receive on product end-of-life issues. We are especially active in some regions such as California. We measure success based upon customer and stakeholder feedback received through The Lilly Answers Center.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Lilly acknowledges that climate change is an ever-present reality that is contributing to a reduction in 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." This statement can be found on our Climate webpage which can be found here: <https://esg.lilly.com/environmental>.

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

To support consistency between our policy efforts and our business strategies (including environmental strategies), we have a formal Legislative and Regulatory Tracking Committee (LRTC) that includes representatives from our global health, safety, and environment (HSE) team; Legal; and Corporate Affairs. This committee oversees environmental advocacy efforts with legislative and regulatory bodies, primarily in the United States. The group also coordinates Lilly's activities among various trade groups involved in environmental advocacy and develops strategies for influencing policy where necessary. The LRTC meets at least semi-annually to address U.S. federal legislative and regulatory topics. In addition, separate meetings are held as needed to address emerging or evolving issues at the global, regional, or local level to support consistency. Our EU HSE Regulatory Tracking Group informs EU facility leaders and global HSE leaders of new and emerging EU environmental legislation. Both the LRTC and EU HSE Regulatory Tracking Group are dedicated to monitoring new or evolving rules and regulations at the national and regional level (i.e., European Union). Non-U.S. regulatory monitoring is overseen by our representatives for HSE located in Europe and Asia. They work closely with our Director of Corporate Health, Safety and Environment to ensure consistency. We will continue to actively participate with government agencies and other appropriate organizations in the development of environmental laws and regulations, and industry standards and practices, so as to encourage a sound scientific basis and promote the future well-being of people and the environment.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (INDIEC (Indiana Industrial Energy Consumers, Inc.))

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

INDIEC works to influence sound energy policy development and decision-making to ensure a reliable and cost-effective energy supply to Indiana industrial energy consumers. INDIEC supports policy that encourages investment in facility renewable projects and encourages voluntary green power tariffs, net metering, and upgrading electrical distribution systems (smart grid). It is INDIEC's position that Indiana government should enact legislation that maximizes the incentive to industrial consumers to invest in renewable energy. We have worked with INDIEC on the identified issues. Our position is consistent with INDIEC's approach and positions on core energy issues, therefore, we are not attempting to influence their position.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

7500

Describe the aim of your organization's funding

Our funding for INDIEC is for annual membership dues.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Trade association

Other, please specify (European Federation of Pharmaceutical Industries and Associations)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The European Federation of Pharmaceutical Industries and Associations (EFPIA) has drafted a white paper on climate change. It noted EFPIA's commitment to the following principles: policies and strategies based on materiality; actions that support science-based CO2e reduction targets; increased energy efficiency; and harmonized, public reporting on recognized calculation methodologies. These actions are consistent with our position on climate change, therefore, we are not attempting to influence their position.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

1328271

Describe the aim of your organization's funding

Our organization's funding is aimed at annual membership dues and supporting industry-wide initiatives to improve environmental impacts.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Web-based ESG report - see web link.png

Page/Section reference

<https://esg.lilly.com/environmental>

Content elements

Governance
Strategy
Emissions figures
Emission targets
Other metrics

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

| | Board-level oversight and/or executive management-level responsibility for biodiversity-related issues | Description of oversight and objectives relating to biodiversity | Scope of board-level oversight |
|-------|--|---|--------------------------------|
| Row 1 | Yes, both board-level oversight and executive management-level responsibility | The Directors and Corporate Governance Committee (DCGC) of the Board of Directors is responsible for identifying and bringing to the attention of the 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. The full Board is engaged in strategic environmental, social, and governance (ESG) oversight, receiving regular updates on ESG matters at Board meetings, reviewing and approving the company's long-term environmental goals, and weighing in on significant strategic investments. When appropriate, the Board reviews and approves strategic environmental-related decisions. Examples of two of our public goals that can either maintain or improve biodiversity are our goals to control the discharge of active pharmaceutical ingredients and management of water in water stressed areas. Both of these goals are tied to climate stress factors, such as droughts. | <Not Applicable> |

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

| | Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity | Biodiversity-related public commitments | Initiatives endorsed |
|-------|---|--|--|
| Row 1 | Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity | Other, please specify (Establishing and implementing water management plans for Lilly sites in water-stressed areas. 2. Ensuring 100% of Lilly manufacturing sites meet predicted no-effect concentrations (PNEC) for Pharmaceuticals in the Environment.) | Other, please specify (Control of API discharges and Water Stress Management Plan) |

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

| | Does your organization assess the impact of its value chain on biodiversity? | Portfolio |
|-------|--|------------------|
| Row 1 | Yes, we assess impacts on biodiversity in our upstream value chain only | <Not Applicable> |

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

| | Have you taken any actions in the reporting period to progress your biodiversity-related commitments? | Type of action taken to progress biodiversity-related commitments |
|-------|---|---|
| Row 1 | Yes, we are taking actions to progress our biodiversity-related commitments | Land/water management |

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

| | Does your organization use indicators to monitor biodiversity performance? | Indicators used to monitor biodiversity performance |
|-------|--|---|
| Row 1 | Yes, we use indicators | Pressure indicators |

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

| Report type | Content elements | Attach the document and indicate where in the document the relevant biodiversity information is located |
|--|--|--|
| In voluntary sustainability report or other voluntary communications | Governance Impacts on biodiversity Other, please specify (Online within our ESG website, as well as through the 2022 SETAC EU poster.) | ESG Report Web Link (Environment section): https://esg.lilly.com/environmental ESG Report Web Link (full report): https://esg.lilly.com/ Attached 2022 SETAC poster (SETAC 2022 Poster 8376 Final) SETAC 2022 Poster 8376 Final.pdf |

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

| | Job title | Corresponding job category |
|-------|---|----------------------------|
| Row 1 | Vice President, Corporate Engineering & Global Health, Safety and Environment | Business unit manager |

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

We are not responding to this module because the only request to do so came from an organization that is not a direct customer.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

| | Annual Revenue |
|-------|----------------|
| Row 1 | |

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

| Allocation challenges | Please explain what would help you overcome these challenges |
|-----------------------|--|
| Please select | |

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---------------------------------------|---|---------------------|
| Please select your submission options | Yes | Public |

Please confirm below

I have read and accept the applicable Terms