

Introduction

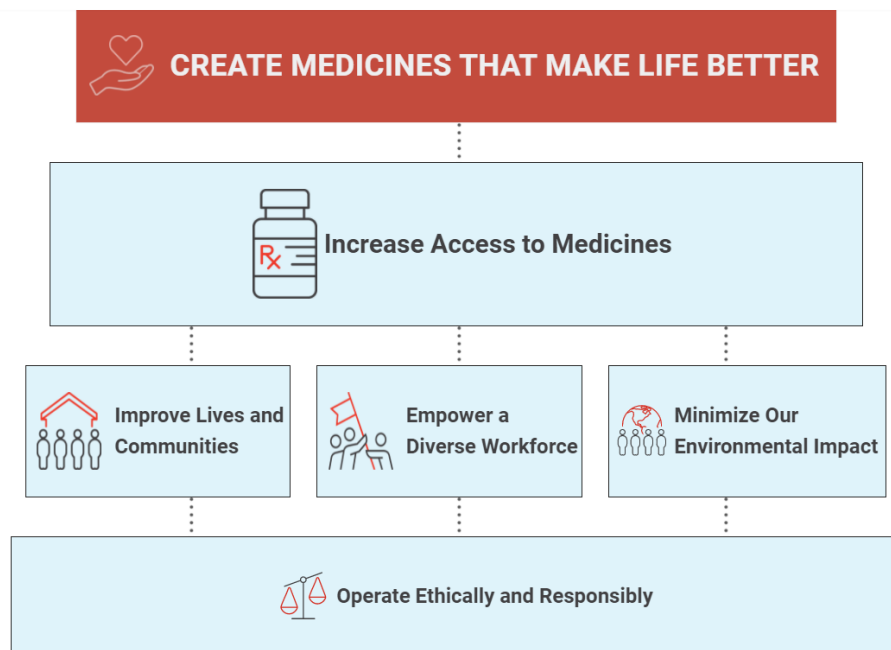
Eli Lilly and Company (referred to as the company, Lilly, we, or us) was incorporated in 1901 in Indiana to succeed the drug manufacturing business founded in Indianapolis, Indiana, in 1876 by Colonel Eli Lilly. We discover, develop, manufacture, and market products in a single business segment—human pharmaceutical products.

Our purpose is to unite caring with discovery to create medicines that make life better for people around the world. Most of the products we sell today were discovered or developed by our own scientists, and our long-term success depends on our ability to continually discover or acquire, develop, and commercialize innovative new medicines.

We manufacture and distribute our products through facilities in the United States (U.S.), including Puerto Rico, and 8 other countries. Our products are sold in approximately 120 countries.

Our ESG Strategy

Lilly's greatest contribution to society is the discovery and development of innovative medicines that make life better for people around the world. Our mission informs how we operate our business, care for the environment and strengthen communities. Our Environmental, Social and Governance (ESG) strategy and efforts are guided by our impact framework. This framework leads with our purpose to create medicines that make life better and includes five pillars that guide how we operate and contribute to the world: Increase Access to Medicines, Improve Lives and Communities, Empower a Diverse Workforce, Minimize our Environmental Impact and Operate Ethically and Responsibly. This impact framework also served as a guide in constructing this sustainability bond framework.



Lilly believes transparency is important to promote accountability for our sustainability strategy, programs and performance. We periodically disclose relevant information and progress around the management of our ESG priorities and frequently evaluate relevant sustainability and social impact reporting frameworks and standards to best meet the needs of our stakeholders.

After seeking input from a broad spectrum of stakeholders, we identified key ESG topics relevant for our company and industry, created a new position to lead ESG strategy and adopted additional prevalent reporting frameworks. We intend to use the Sustainability Accounting Standards Board and the Task Force on Climate-Related Financial Disclosures frameworks and continue to report our progress on the United Nations Sustainable Development Goals. We have also created an [ESG site](#) to provide a comprehensive picture of our sustainability strategy, goals and results.

ESG Governance

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

Central to our ESG oversight is our ESG Governance Committee, chaired by our Senior Advisor for 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's ESG approach compared to peers and broader environment, leading formal, periodic ESG strategy updates, institutionalizing ESG topics throughout Lilly and facilitating execution of ESG reporting activities.

Lilly's Board of Directors is engaged in strategic ESG oversight, receiving regular updates on ESG matters, reviewing and approving the company's long-term environmental goals and weighing in on significant strategic investments including those related to ESG. The Directors and Corporate Governance Committee of Lilly's Board of Directors are also responsible for identifying 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.

Additionally, Lilly has key governance documents and related management systems that together detail Lilly's HSE management and performance expectations. Lilly's global policy statements, procedures and standards articulate our commitments and guide our [efforts](#).

Our ESG strategy consists of the following objectives:

1. Increase Access to Medicines
2. Improve Lives and Communities
3. Empower a Diverse Workforce
4. Minimize our Environmental Impact
5. Operate Ethically and Responsibly

Access and Affordability

In the U.S., Lilly sets a list price for our medicines. To enable patient access, Lilly pays rebates and other discounts to payers and other supply chain entities. These rebates and discounts continued to rise in 2020. The final amount that Lilly receives after paying rebates, discounts and fees is the net

amount realized, sometimes called the “net price.” Lilly’s average net price decreased approximately 5% in 2020, the third consecutive year of decline, even as overall health care prices [increased by nearly 2%](#).

Lilly is committed to reducing out-of-pocket costs for patients, but often the rebates and discounts we pay into the U.S. health care system do not reach patients, causing them to incur substantial out-of-pocket costs. This issue can be particularly challenging for patients who use insulin. For this reason, Lilly launched new programs over the past year so that anyone using Lilly insulin – regardless of their insurance status – is now eligible to buy their monthly prescription for \$35 (Seniors must enroll in a plan participating in the Part D Senior Savings Model).

Access and Affordability: By the Numbers



\$1.2B

value of Lilly medicines provided to patients through the independent Lilly Cares Foundation



2M

people helped each year by patient support programs for Lilly medicines

*Information above is as of December 31, 2020.

Increase Access to Medicines

Lilly’s efforts do not stop with the creation of new medicines. We also work with global health systems and organizations to improve equitable access to our medicines and address complex global health challenges, such as the COVID-19 pandemic and the growing prevalence of diabetes.

We have established a comprehensive goal – [Lilly 30x30](#) – to improve annual access to quality health care for 30 million people living in communities with limited resources by 2030. In 2020, we reached 7.3 million people. And in the past year, Lilly took several significant steps to advance toward our goal:

- We announced a major expansion of support to organizations that donate to Life for a Child, which provides life-saving insulin to young people in need.
- We committed \$100 million over ten years to the Antimicrobial Resistance (AMR) Action Fund, which aims to bring new antibiotics to patients to fight antimicrobial resistance.

Lilly Global Health: By the Numbers



2.4M

vials of insulin donated
to Life for a Child since
2009



\$90M

committed to global
health efforts through
2022



30M

people our Lilly 30x30
initiative aims to help
access quality health
care each year by 2030

***Information above is as of December 31, 2020.**

Improve Lives and Communities

Lilly's purpose, to make life better, begins with patients and extends to the people and places around us, especially those with limited resources. Beyond our medicines, we invest our time, expertise and resources to drive social impact with a focus on health. Whether it is a health crisis like COVID-19 or a natural disaster, Lilly steps up for the common good. We also engage in targeted social issues that affect our business and employees, with an emphasis on racial justice and education.

Starting in our headquarters' hometown of Indianapolis, Indiana, we focus on action and advocacy that build stronger communities where people and companies can prosper and thrive. We collaborate with organizations that have proven track records of social impact. And we encourage our employees to volunteer and give in ways that advance our purpose and theirs.

Lilly's Community Engagement: By the Numbers



\$13.4M

raised from Lilly employees and the Lilly Foundation for more than 400 United Way chapters



\$29.4M

cash donations, including \$26.6M from the Lilly Foundation



1.2M

employee service hours as part of Global Day of Service

*Information above is as of December 31, 2020.

Empower a Diverse Workforce

At Lilly, diversity and inclusion (D&I) is at the core of how we do business. Our long-standing values of integrity, excellence and respect for people foster an environment where team members are encouraged to speak up, share ideas and be fully engaged in our work, while bringing their full authentic selves to work every day. By including everyone, we help ensure that we can innovate, accelerate and deliver life-changing medicines that make a difference for people around the world.

While there is more to do, we are making progress. From the end of 2017 to the end of 2020, the percentage of Lilly management positions held by minority group members in the United States and by women globally has increased from 16% to 22% and from 41% to 46%, respectively. Five of 15 members (33%) of Lilly's executive committee are women. The company's 13-member board of directors includes four women and six members of underrepresented groups, including minority group members.

To establish a foundation for recruiting, retaining and developing top talent from all backgrounds, we have focused our efforts on understanding the lived experiences of women, Black/African American, Latinx, Asian and LGBTQ employees.

Through our *Employee Journeys* research, which began in 2015, we have gained greater understanding of the lived experiences of diverse colleagues, including ways in which their experiences might be similar to or different from those of majority-group members. Through the People Strategy and other initiatives, we continue to use results of this research to help improve the experience of all employees as they progress in their careers and to further diversify Lilly's workforce and leadership ranks.

Lilly is committed to expanding our D&I efforts from our company to our communities. In 2020, Lilly launched a multifaceted Racial Justice Initiative to address racial injustices and to increase

opportunities and equity for Black Americans. With local and national partnerships and investments, we are developing solutions that drive meaningful progress. While we do not claim to have all the answers, we do believe Lilly has a responsibility to take action on issues that affect our business, our employees and our communities.

Lilly's Diversity and Inclusion: By the Numbers



46%

Lilly global management positions held by women



27%

Lilly U.S. employees who are minorities



15

consecutive years Lilly has received a perfect score from the Human Rights Campaign

*Information above is as of December 31, 2020.

Minimize Our Environmental Impact

Making life better means protecting and preserving the world we live in. While making medicines requires the use of valuable resources, including energy, water and raw materials, Lilly remains committed to improving our environmental impact across our product life cycles and supply chain. We have set new goals to reduce our emissions and waste and to continue using water responsibly and efficiently.

Lilly recognizes our responsibility to reduce our carbon footprint to help fight climate change. We have set new targets and have an established global energy-management program. Lilly's 2030 climate goals include:

- 100% of purchased electricity from renewable sources
- Carbon neutral in our own operations (scope 1 and scope 2 emissions)
- Enhance tracking and reporting of emissions from our full value-chain

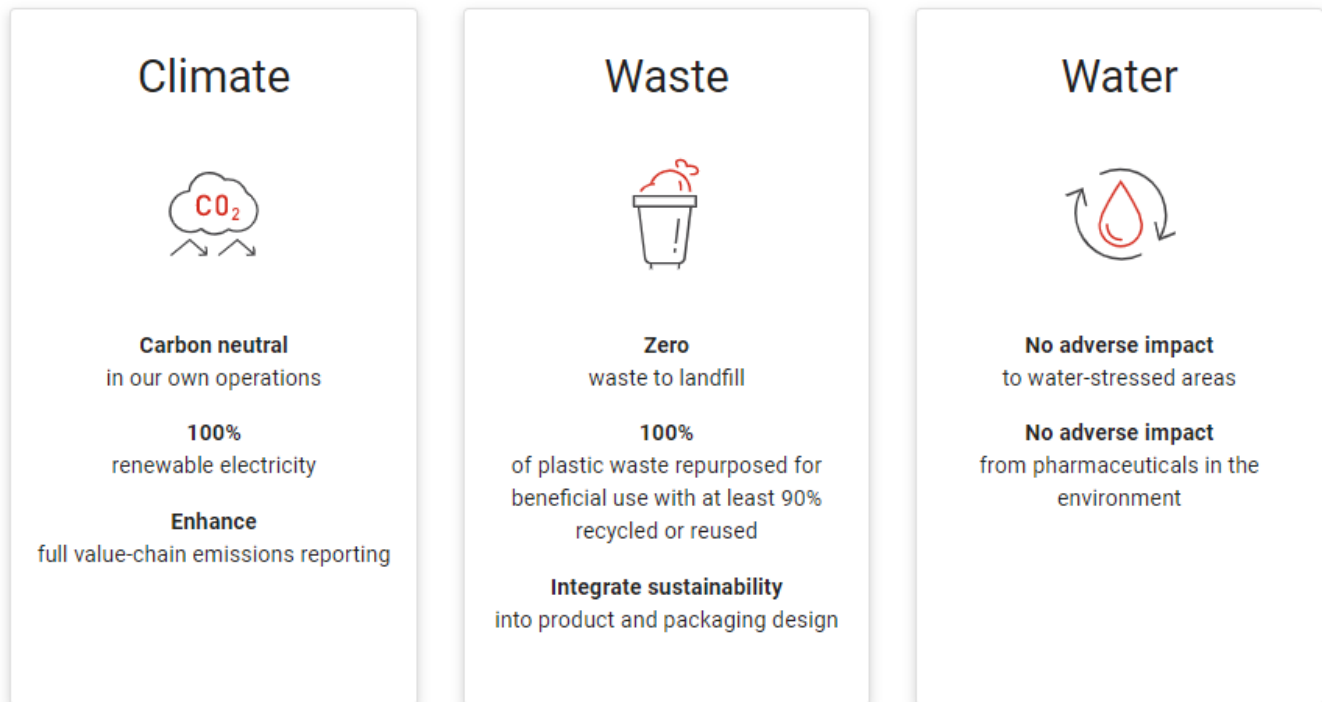
We also strive to minimize waste and to conserve energy, resources and landfill space. We will continue to pursue challenging waste goals. Going forward, we plan to enhance our commitment to reducing landfill waste and to introduce new goals specifically focused on addressing plastic waste from our operations and integrating sustainability into the designs of our products. Our 2030 waste goals include:

- Zero waste to landfill from routine operations
- 100% of plastic waste repurposed for beneficial use, with at least 90% recycled or reused
- Integrating sustainability-focused design principles into product and packaging design processes

Water is essential to both our operations and the facilities where we discover and manufacture our medicines, and we are committed to using this critical resource more efficiently. Looking ahead, we have set new water-related goals for 2030 that include establishing and implementing water management plans for all Lilly sites in water-stressed areas, as well as working to ensure our internal and external manufacturing operations do not adversely impact our waterways as a result of discharges of pharmaceuticals. These goals include:

- Establishing and implementing water management plans for Lilly sites in water-stressed areas
- Ensuring 100% of Lilly sites meet predicted no-effect concentrations (PNEC) for Pharmaceuticals in the Environment
- Implementing controls with Lilly contract manufacturers to prevent discharge of pharmaceuticals in wastewater above applicable PNEC values

Our 2030 Environmental Goals



To encourage eco-efficiency across our operations, in 2006, Lilly established the Energy, Waste and Water Reduction Fund to encourage projects that demonstrate the greatest potential for reductions in

emissions and energy use but are not funded by site capital budgets. Since then, we have approved nearly \$50 million supporting more than 190 projects. Since inception of the program, these projects collectively saved more than one trillion BTUs of energy annually, avoiding over 129,000 metric tonnes of GHG emissions each year, measured as carbon dioxide equivalents.

Lilly has a long history of implementing process improvements and new technologies resulting in improved efficiency and reduced environmental impact of our operations. For example, Lilly's facility in Kinsale, Ireland was named the 2019 International Society for Pharmaceutical Engineering (ISPE) Facility of the Year Category Winner for Process Innovation. This facility utilizes Small Volume Continuous manufacturing, which represents a more flexible, agile and precise manufacturing platform that can operate at conditions that are inaccessible to batch processing enabling safer, more efficient and more environmentally friendly chemistries. Lilly's efforts in Next Generation Bioprocessing have potential to make similar best in class advancements in monoclonal antibody active pharmaceutical ingredient (API) manufacturing, reducing energy, water and waste per kilogram of API produced compared to traditional manufacturing processes.

Lilly has been influential in a number of advancements within the industry related to Green Chemistry or small molecule and peptide manufacturing. Lilly continues to drive advancements in peptide manufacturing and anticipate significant improvements in process mass intensity (PMI) compared to industry benchmarks. We aim to operationalize these improvements within our manufacturing operations and support industry innovation related to reducing the environmental footprint of these processes.

- **Patent for Greener Medicine** (2020) – Developed improvements in solvent efficiency and [published a process patent](#) for Tirzepatide, a once-weekly dual glucose-dependent insulinotropic polypeptide (GIP) and glucagon-like peptide-1 (GLP-1) receptor.
- **American Chemical Society (ACS) Pharmaceutical Roundtable** (2019) – In 2019, Lilly co-chaired this group and led the peptide and oligonucleotide group focused on “greener” peptide development and manufacturing. The ACS Pharmaceutical Roundtable peptide team published [Sustainability Challenges in Synthetic Peptide Synthesis and Purification: From R&D to Production](#). The article was one of the most widely read articles featured in The Journal of Organic Chemistry over the 2019 calendar year (Co-authored by Lilly).
- **IQ Consortium** (2019) – Lilly continues to work with the IQ Green Chemistry Working Group to promote the [Green Aspiration Level \(GAL\) tool](#). Until now, the use of green chemistry metrics among pharmaceutical companies has been hampered by the lack of an agreed-upon standard. The GAL tool makes the development of objective goals, like process efficiency and mass intensity, easier. It uses industry benchmarks to create a unified scoring system for green chemistry formulations and introduces a new green scorecard for use across the supply chain.

Operate Ethically and Responsibly

At Lilly, we strive to earn and maintain the trust of people we serve by acting ethically and responsibly. We set high standards for our products, operations and performance, and we show caring and respect for those touched by our work.

Since our founding nearly 150 years ago, we have approached our company's business with a deep sense of responsibility to all our stakeholders. Our actions, now as then, are grounded in our company's core values of integrity, excellence and respect for people, which are outlined in The Red Book, our code of business [conduct](#).

Lilly’s Sustainability Bond Framework

Using the impact framework described above and in accordance with our ESG strategy, Lilly has designed this Sustainability Bond Framework (Framework) to guide future issuances of Green, Social and/or Sustainability Bonds (GSS Bonds) by Lilly.

Alignment with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines

This Framework is designed to ensure GSS Bonds issued by Lilly are aligned with the four core components of both the Green Bond Principles, 2021 and the Social Bond Principles, 2021 and are in accordance with the Sustainability Bond Guidelines, 2021 all of which are administered by the International Capital Markets Association:

Core Components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting



Key Recommendations:




1. Use of Frameworks
2. External Review









The Framework will apply to any GSS bonds issued by Lilly and will be applied as long as any principal amount of such instrument is outstanding. This Framework may be updated from time to time to align with voluntary market practices, sustainability and social impact reporting frameworks and standards.


Use of Proceeds


We intend to allocate an amount equivalent to the net proceeds from any GSS Bond to finance or refinance, in whole or in part, one or more new or existing Eligible Projects. “Eligible Projects” are investments and expenditures made by us or any of our subsidiaries beginning on the issuance date of any GSS Bonds, or in the 24 months prior to any such issuance (referred to herein as the lookback period), which meet one or more of the following eligibility criteria:

Lilly ESG Strategy Pillar	Green Project Category	Eligibility Criteria and Example Projects	Sustainable Development Goals (SDG)
Minimize Environmental Impact	Pollution Prevention and Control	Expenditures designed to minimize emissions to air and water, and reduce waste disposed from our operations. Example projects may include, but are not limited to: <ul style="list-style-type: none"> • Technologies and projects for waste prevention, waste reduction and waste recycling, including reducing waste from 	 

		<p>materials used in packaging and manufacturing, post-consumer waste products, and expanding recycling programs</p> <ul style="list-style-type: none"> • Next generation bioprocessing, which aims to reduce facility-wide energy intensity by up to 35%, reduce water use by up to 40% and reduce waste generation by up to 15% compared to current processes • Peptide process optimization, which aims to reduce resources consumed or waste generated, improving Process Mass Intensity (PMI) by up to 50% compared to current industry benchmarks 	
	<p>Energy Efficiency</p>	<p>Expenditures that reduce energy consumption by the design, construction, operation, and/or maintenance of energy-efficient equipment, facilities and infrastructure. Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> • Energy efficient heating, ventilation, air conditioning, refrigeration, lighting and electrical equipment that result in energy savings • Energy monitoring, control solutions and energy assessments including but not limited to smart meters and control automation devices 	  

	<p>Renewable Energy</p>	<p>Expenditures related to the purchase of renewable energy, or acquisition or development of new onsite or offsite renewable energy generating capacity. Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> • Constructing and operating solar panels at Lilly manufacturing sites globally, including Ireland, France and Puerto Rico • Purchase of renewable energy through Power Purchase Agreements 	 
	<p>Sustainable Water and Wastewater Management</p>	<p>Expenditures that improve water quality or water efficiency. Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> • Wastewater treatment projects and facilities • Technologies that reduce, recycle or re-use water 	 
	<p>Clean Transportation</p>	<p>Expenditures for zero direct emission vehicles and associated infrastructure. Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> • Electric vehicle charging stations 	 
	<p>Terrestrial and Aquatic Biodiversity Conservation</p>	<p>Expenditures that improve protection of coastal, marine and watershed environments. Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> • Development of an alternative method for endotoxin testing that helps protect wildlife and coastal, marine and watershed environments 	 

Lilly ESG Strategy Pillar	Social Project Category	Eligibility Criteria and Example Projects	Sustainable Development Goals (SDG)
<p>Increase Access to Medicines</p>	<p>Access to Essential Services: Healthcare</p> <p><i>Target Population includes but is not limited to:</i></p> <ul style="list-style-type: none"> • People living in resource-limited settings • People living in low and/or middle income countries • Victims of socioeconomic crisis, such as the COVID-19 global pandemic 	<p>Expenditures related to improving access by providing free or subsidized quality health care for people. This includes but is not limited to treatments for major causes of death as defined by the World Health Organization such as insulin. Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> • Investments in pipeline, programs and partnerships as part of Lilly’s 30x30 commitment • Investments in the AMR Action Fund for antibiotic development • Support of the Lilly Cares Foundation, Inc. (“Lilly Cares”), a non-profit charitable organization that provides prescribed Lilly medications including but not limited to treatments for diabetes, cancer, immunology diseases and non-opioid treatments for pain for free for up to 12 months to qualifying U.S. patients that meet income and insurance criteria as specified by the Lilly Cares Application on the Lilly Cares website • Free COVID-19 diagnostic testing in the Indianapolis community • Programs enabling anyone using Lilly insulin – regardless of their insurance status – to fill their monthly prescription for \$35 	

<p>Empower a Diverse Workforce</p> <p>Improve Lives and Communities</p>	<p>Socioeconomic Advancement and Empowerment</p> <p><i>Target Population includes but is not limited to:</i></p> <ul style="list-style-type: none"> • Women • Ethnic/racial minorities • LGBTQ community 	<p>Expenditures related to widening access for women and minority group members. Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> • Expenditures and/or procurement of products and services from suppliers that are aligned with both our supplier code of conduct and our supply chain governance, are from minority or women-owned suppliers as defined by being majority owned (more than 50%) by the target population and are internally certified to be either a small or mid-sized enterprise in accordance with the North American Industry Classification System (NAICS) provided by the U.S. Small Business Association • Investments in recruitment, hiring and training a diverse workforce, such as Lilly's Racial Justice Initiative, which aims to address racial injustices and increase opportunities and equity for Black/African Americans and includes a first-of-its-kind Professional Apprenticeship Program, investment in Sixty8 Capital and investment in Lynx Capital • Workforce development and empowerment projects and initiatives that seek to build greater equality and cultural understanding across our company, such as 	
---	--	---	---

		Employee Journeys and Make it Safe to Thrive	
--	--	---	--

Process for project evaluation and selection

A committee consisting of representatives from Lilly’s Sustainability and Finance teams will be responsible for the assessment and selection of Eligible Projects, on a semi-annual basis, to ensure alignment with this Framework. This committee will also be responsible for evaluating any inherent environmental and social risks associated with Eligible Projects to ensure that they are aligned with Lilly’s Health, Safety and the Environment (HSE) [statements, procedures and standards](#). In addition, all projects that receive allocation from the net proceeds of any GSS Bonds would follow an internal process of project identification and verification by members of Lilly’s Sustainability and Finance teams as well as ongoing monitoring and follow-up that will include final review and approval by Lilly’s Chief Financial Officer.

Management of proceeds

Lilly’s Finance department will track the net proceeds from any GSS Bonds allocated to Eligible Projects using internal systems, including for the lookback period and in the months after issuance. Pending allocation, the net proceeds from any GSS Bonds will be managed in line with normal liquidity practices. Net proceeds from a GSS issuance will not knowingly be placed in investments that include greenhouse gas intensive projects inconsistent with the transition to a low carbon economy. In the case of divestment or if a project no longer qualifies as an Eligible Project, we intend to reallocate an equivalent amount to other Eligible Projects. Any payment of principal and interest on any GSS Bonds will be made from Lilly’s general account and will not be linked to the performance of any Eligible Project. We intend to fully allocate the net proceeds of any GSS Bonds within 24 months of issuance.

Reporting

For each GSS Bond, Lilly will publish an allocation report and, where feasible, an impact report annually, until full allocation of the proceeds, and may publish an update of any such report in the event of any material changes, until the relevant maturity date. Both the allocation and impact reports will be made available on Lilly’s ESG site, www.esg.lilly.com.

Allocation Report

Lilly will provide information on the allocation of the net proceeds of its GSS Bonds. The information will contain at least the following details:

- a) Amount allocated to Eligible Projects as defined in the Use of Proceeds section of this Framework
- b) Subject to confidentiality considerations and feasibility, a list of the Eligible Projects financed through Lilly’s GSS Bonds, including a description of the projects and allocated amounts
- c) The proportional allocation of proceeds between existing projects (refinancing) and new projects
- d) The remaining balance of unallocated proceeds, if any

Impact Report

Where feasible, Lilly will provide impact reporting, which may include the following estimated Key Performance Indicators (KPI):

Eligibility Criteria	Potential KPIs*
<i>Pollution Prevention and Control</i>	<ul style="list-style-type: none"> • Waste that is prevented, minimized, reused or recycled before and after the project in percentage of total waste • The percent increase in materials, components and products that are reusable, recyclable, and/or certified compostable • Reduction in solvent use • Improvements in Process Mass Intensity (PMI) for peptide manufacturing • Facility-wide energy intensity, water use and waste reductions for Next Generation Bioprocessing
<i>Energy Efficiency</i>	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent • Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)
<i>Renewable Energy</i>	<ul style="list-style-type: none"> • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
<i>Sustainable Water and Wastewater Management</i>	<ul style="list-style-type: none"> • The percentage increase or decrease of wastewater treated, re-used or avoided water or recycled water before and after the project
<i>Clean Transportation</i>	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent • Number of clean vehicles deployed (for example, electric) • Number of vehicle infrastructure developed or improved
<i>Terrestrial and Aquatic Biodiversity Conservation</i>	<ul style="list-style-type: none"> • Impact from and related to coastal, marine and watershed conservation efforts
<i>Access to Essential Services: Healthcare</i>	<ul style="list-style-type: none"> • Estimated total number of people helped by 30x30 program. This total results from the efforts in the following areas: <ul style="list-style-type: none"> ○ Pipeline (for example, AMR Action Fund) ○ Programs (for example, special access programs for Lilly products) ○ Partnerships (for example, Life for a Child, Gates Foundation) • COVID-19 # of individuals tested
<i>Socioeconomic Advancement and Empowerment</i>	<ul style="list-style-type: none"> • Number of diverse suppliers utilized • Number of employees hired via Lilly's Apprentice Program • Number of employees participating in work development programs, by type (for example, Employee Journeys, Make it Safe to Thrive and Lilly's Racial Justice Initiative)

*Definition and calculation of KPIs are at the sole discretion of Lilly.

External Reviews

Lilly's GSS Bond issuance is supported by the following external reviews:

Second Party Opinion (SPO)

Lilly has retained Sustainalytics to review Lilly's Sustainability Bond Framework and provide a Second Party Opinion, which will be made available at Lilly's ESG site, www.esg.lilly.com.

Post Issuance External Verification

Annual reporting will be accompanied by an assertion by management detailing the amount of net proceeds from any GSS Bonds issued under this Framework that have been allocated to Eligible Projects. An independent third party will be appointed by Lilly to provide a report in respect of its examination of management's assertion of the allocation of such net proceeds.

The external verification will be published together with the Allocation Report, and the Impact Report will be made available at Lilly's ESG site, www.esg.lilly.com, until the amount equivalent to the proceeds from such GSS Bonds has been fully allocated.

Disclaimer

This Sustainability Bond Framework (this "Framework") is intended to provide non-exhaustive, general information. This Framework represents Lilly's current policy and intent and is not intended, nor can it be relied on, to create legal relations, rights or obligations. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Lilly and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Lilly as to the fairness, accuracy, reasonableness or completeness of such information.

This Framework is provided for informational purposes only and does not constitute a recommendation regarding the purchase, sale, subscription or other acquisition or disposal of any debt or other securities of Lilly or any of its subsidiaries, including any GSS Bonds ("securities"). This Framework is not, and does not form part of, and should not be construed as, an offer to sell or an offer or invitation to buy, or the solicitation of an offer or invitation to buy, any securities of Lilly or any of its subsidiaries. If any such offer or invitation is made, it will be conducted pursuant to separate and distinct documentation in accordance with applicable securities laws (the "Offering Documents") and any decision to purchase or subscribe for any securities pursuant to such offer or invitation should be made solely on the basis of such Offering Documents and not these materials. In particular, potential investors should pay particular attention to any sections of the Offering Documents describing any risk factors. Before making any investment decision, potential investors should make their own independent investigations and appraisals of the business and financial condition of Lilly and its subsidiaries and the merits or suitability of any securities or transaction.

This Framework and any related materials should not be distributed to or used by any person or entity in any jurisdiction where it would be unlawful to do so. Persons who may come into possession of such documents must inform themselves about, and observe, any applicable restrictions.

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. None of Lilly, its subsidiaries or any of its representatives or affiliates assume any obligation to update, modify or amend the information

contained herein or to otherwise notify any recipient if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate. Each potential investor should be aware that Eligible Projects may not satisfy the investor's expectations concerning environmental or sustainability benefits and may result in adverse impacts. Lilly undertakes no responsibility or liability as to the suitability of the any securities to fulfil environmental and sustainability criteria required by potential investors. The addressee is solely liable for any use of the information contained herein and Lilly shall not be liable for any damages, indirect or otherwise, arising from the use of this Framework by the addressee.

We have included our website address in this Framework solely as an inactive textual reference and the information contained in, or that can be access through, our website is not a part of, or incorporated by reference in, this Framework.

Lilly Cautionary Statement Regarding Forward-Looking Statements

This Framework contains forward-looking statements that are based on management's current assumptions and expectations, including statements regarding our sustainability targets, goals, commitments and programs and other business plans, initiatives and objectives. The words "estimate", "project", "intend", "expect", "believe", "target", "goal," "anticipate," "aim," "drive," "strategy," "may," "plan," "project," "will" and similar expressions are intended to identify forward-looking statements. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Actual results may differ materially due to various factors. Lilly's sustainability targets, goals, and commitments outlined in this Framework or elsewhere, as well as its operations, results, business, goals, and strategy may be affected by factors including, but not limited to, the impact of the evolving COVID-19 pandemic 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 involving past, current, or future products or commercial activities as the company is largely self-insured; the impact of business development transactions and related integration costs; the impact of global macroeconomic conditions and trade disruptions or disputes; changes or developments in laws and regulations, including health care reform; the impact of climate change; and additional risks described in this Framework. For additional information about the factors that affect the company's business, please see the company's latest Forms 10-K, 10-Q, and any 8-Ks filed with the Securities and Exchange Commission, and any additional risk factors that may be provided in any Offering Documents. The company expressly disclaims any obligation to update forward-looking statements except as required by applicable law.