# Welcome to your CDP Climate Change Questionnaire 2023

# 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 2022, employed approximately 39,000 people worldwide. We manufacture and distribute our products through facilities in eight countries. Our products are sold in approximately 110 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 2022 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 15th annual Global Day of Service in 2022, which had participation by more than 7,500 Lilly employees in 30 countries, and (iii) achieving meaningful progress on our 2030 environmental goals related to climate change.

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, future plans, forecasts, commitments and programs and other business plans, initiatives, aspirations and objectives. There is no assurance that any such expectations, plans, forecasts, 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", "future", "forecast" or similar expressions. Actual results may differ materially due to various risks and uncertainties, including the following factors: 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 resulting of demand, labor shortages, third-party performance or regulatory actions relating to our facilities; the impact of any public health threat and the response thereto; any third-party data collection beyond our direct control 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. We refer you to the factors described under "Risk Factors" and in cautionary statements in our Form 10-K for the year ended 12/31/2022 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 and indicate whether you will be providing emissions data for past reporting years.**

### Reporting year

#### Start date

January 1, 2022

#### End date

December 31, 2022

#### Indicate if you are providing emissions data for past reporting years

No

## C0.3

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

Algeria
Argentina
Australia
Austria
Belgium
Bosnia & Herzegovina
Brazil
Bulgaria
Canada
Chile
China
Colombia
Costa Rica
Croatia
Cyprus
Czechia
Denmark

Egypt
Finland
France
Germany
Greece
Hong Kong SAR, China
Hungary
India
Indonesia
Ireland
Italy
Japan
Kazakhstan
Latvia
Lebanon
Lithuania
Malaysia
Mexico
Morocco
Netherlands
Norway
Pakistan
Peru
Philippines
Poland
Portugal
Puerto Rico
Qatar
Republic of Korea
Romania

Russian Federation
Saudi Arabia
Serbia
Singapore
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Taiwan, China
Thailand
Turkey
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

## 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 or committee | Responsibilities for climate-related issues |
|---|---|
| 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.<br><br>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 | Please explain |
|---|---|---|
| Scheduled – some meetings | Overseeing and guiding employee incentives<br>Reviewing and guiding strategy<br>Monitoring the implementation of a transition plan<br>Overseeing the setting of corporate targets<br>Monitoring progress towards corporate targets<br>Overseeing value chain engagement<br>Reviewing and guiding the risk management process | Board Oversight:<br>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.<br><br>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.<br><br>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:<br>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. |

# 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 |
|---|---|---|
| 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. |

# C1.2

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

**Position or committee**

Other C-Suite Officer, please specify

Executive Vice President and President of Manufacturing Operations

### Climate-related responsibilities of this position

Providing climate-related employee incentives
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues
Managing climate-related risks and opportunities

### Coverage of responsibilities

### Reporting line

CEO reporting line

### Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

### Please explain

The Executive 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, transition to renewable electricity, increasing supplier engagement on climate related issues 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 Executive 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**

Corporate executive team

**Type of incentive**

Monetary reward

**Incentive(s)**

Bonus - % of salary

**Performance indicator(s)**

Progress towards a climate-related target
Achievement of a climate-related target
Reduction in absolute emissions
Increased share of renewable energy in total energy consumption
Increased engagement with suppliers on climate-related issues

### Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

### Further details of incentive(s)

Improvement in certain environmental performance areas, including climate-related issues (e.g., reducing greenhouse gas emissions, transition to renewable electricity, increasing supplier engagement on climate related issues 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 Executive 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.

### Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan

By providing monetary incentives to key members of the executive team, it helps drive engagement and alignment on priorities. These priorities are typically cascaded from the top-down in the organization and can help provide support (prioritization, resources or budget) for the organization in implementing climate transition plan activities and contribute to achieving climate-related targets and goals. By linking monetary rewards and incentives to our climate commitments, we reinforce the importance of sustainable practices throughout our organization. This sends a strong message that our leadership is committed to prioritizing environmental stewardship and encourages employees at all levels to embrace sustainable actions and behaviors. Our management and corporate executive teams are essential in setting ambitious climate targets and driving their achievement. Monetary rewards and incentives provide motivation for them to proactively identify and implement innovative solutions, establish robust sustainability strategies, and exceed established goals. By aligning financial rewards with performance indicators related to climate action, we ensure a dedicated focus on achieving tangible and measurable outcomes.

# 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. This is defined

using quantifiable indicators for "impact" and "likelihood." This results in risks identified on a 3-by-3 matrix (low/medium/high Impact by low/medium/high Likelihood) 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 and quantified 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 and quantified 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 Executive 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, establish response plans, review business continuity and emergency response plans to safeguard 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 designing or installing additional solar arrays at our sites in the United States (e.g., Indiana and Colorado), Ireland, Puerto Rico, and Spain. 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.<br><br>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.<br><br>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 |

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| | | 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.<br><br>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.<br><br>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, |

| | | |
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| | | 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. |
| 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.<br><br>We continue to advance green chemistry through our own research, and several of our findings were published in scientific journals. Highlights include:<br>• Sustainable Oligonucleotide Manufacturing – Co-authored a paper examining the sustainability challenges and opportunities in Oligonucleotide manufacturing, including minimizing waste and production costs.<br>• Patent for Greener Medicine – Developed improvements in solvent efficiency and published a process patent and manuscript describing continuous chemistry for Lilly's once-weekly dual glucose-dependent insulinotropic polypeptide (GIP) and glucagon-like peptide-1 (GLP-1) receptor.<br><br>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 physical 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

### 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)**

54,500,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

To calculate the potential financial impact, we utilized a carbon price assumption of $100 per tonne CO2e. In 2022, we reported total scope 1 and scope 2 emissions of 545,000 tonnes CO2e (2022 market-based emissions). At an indicative cost of $100 per tonne CO2e this would result in an annual cost of approximately $54.5 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

30,000,000

### 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, renewable energy and several other sustainability elements. 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). In total, we anticipate the cost to respond to this risk of approximately $30 million annually ($10 million for energy and emissions reductions + $20 million associated with capital investments).

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, sites in Spain, France, New Jersey, Indianapolis, Ireland and Italy have completed initiatives to decrease energy consumed in HVAC systems. These projects include chiller replacements, hot water boiler replacements, building air handler optimizations, air flow reduction initiatives and building metering improvements. Collectively, we expect that these projects will reduce energy consumption by an estimated 22,000 megawatts-hours (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 2022, Lilly started up a new 20,000 square-meter parking canopy solar array in Fegersheim, France, which allows the manufacturing site to directly produce about 12% of its electrical energy needs through sustainable power. Additionally, the site installed 72 charging ports for electric vehicles. Lilly Kinsale has also begun a 10-acre expansion of the site's solar array, which is anticipated to be online in 2023.

### Comment

N/A

### 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

### 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)**

95,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**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**

11,000,000

**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 (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 a four-year period).

**Comment**

N/A

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**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

**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)**

3,500,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**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, gas and cooling water) spending annually. The potential financial impact related to fluctuating temperatures was calculated to be approximately $3.5 million annually. This figure was calculated assuming a 3% increase in energy costs related to purchased energy.

**Cost of response to risk**

4,000,000

**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: Sites in Alcobendas, Spain; Fegersheim, France; Branchburg, New Jersey; Kinsale, Ireland; Sesto, Italy; and Indianapolis, Indiana have completed initiatives to decrease energy consumed in HVAC systems. These projects include chiller replacements, hot water boiler replacements, building air handler optimizations, air flow reduction initiatives and building metering improvements. Collectively, we expect that these projects will reduce energy consumption by an estimated 22,000 megawatts-hours (MWh) per year.

**Comment**

N/A

## 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 80% 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 2022, we started up 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 2022, Lilly started up a new 20,000 square-meter parking canopy solar array in Fegersheim, France, which allows the manufacturing site to directly produce about 12% of its electrical energy needs through sustainable power. Additionally, the site installed 72 charging ports for electric vehicles.

### 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)**

**Potential financial impact figure – minimum (currency)**

5,000,000

**Potential financial impact figure – maximum (currency)**

7,000,000

**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**

11,000,000

**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 2022, the combined heat and power system became fully operational, resulting in an estimated 20% reduction in Green House Gas (GHG) emissions. The cost of this project is approximately $45 million over four years.

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.

To enhance our use of solar power, in 2022, Lilly started up a new 20,000 square-meter parking canopy solar array in Fegersheim, France, that allows the manufacturing site to directly produce about 12% of its electrical energy needs through sustainable power. Additionally, the site installed 72 charging ports for electric vehicles. We also have active solar installations at our facilities in Ireland, 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.

### Comment

N/A

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### 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)**

**Potential financial impact figure – minimum (currency)**

0

**Potential financial impact figure – maximum (currency)**

2,850,000

**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 $2.85 million annually based on 2022 reported revenues ($28.5 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 $2.85 million if we were to see a 0.01% increase in demand.

**Cost to realize opportunity**

30,000,000

**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). In total, we anticipate the cost to respond to this risk of approximately $30 million annually ($10 million energy, emissions and waste reductions + $20 million associated with capital investments).

**Comment**

N/A

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**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)**

10,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**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**

500,000

**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. More recently, 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 goals and aligns efforts across global transportation, global warehousing and distribution to support greener packaging approaches.

**Comment**

N/A

# C3. Business Strategy

## C3.1

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

### Row 1

#### Climate transition plan

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

#### Publicly available climate transition plan

Yes

#### Mechanism by which feedback is collected from shareholders on your climate 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 climate transition plan (optional)

https://esg.lilly.com/environmental

## 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 |
|---|---|
| Row 1 | Yes, qualitative |

## 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 | 1.5ºC | 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 1.5ºC scenario.<br><br>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 we invested in new efforts to assess and report on Lilly's Scope 3 emissions footprint, 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 was completed in Q2 2023.

# 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 | No | Climate-related risks and opportunities have not yet influenced our Products and Services strategy, as we are primarily focused on creating medicines that make life better for people around the world. We remain committed to continuous progress and improving our positive impact on people, the planet and society. Although managing climate-related risks and opportunities remains important to our business, it has not yet influenced our strategy related to Products and Services. |
| 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 2022 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. FOR EXAMPLE: 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 132,000 metric tonnes CO2e annually. Examples include: |

| | | |
|---|---|---|
| | | • HVAC Systems Optimization – Sites in Alcobendas, Spain; Fegersheim, France; Branchburg, New Jersey; Kinsale, Ireland; Sesto, Italy; and Indianapolis, Indiana have completed initiatives to decrease energy consumed in HVAC systems. These projects include chiller replacements, hot water boiler replacements, building air handler optimizations, air flow reduction initiatives and building metering improvements. Collectively, we expect that these projects will reduce energy consumption by an estimated 22,000 megawatts-hours (MWh) per year.<br><br>• 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 2022. Examples of some of the chiller system optimization projects include replacing an existing chiller with a glycol chiller to take in to account future manufacturing demands at our site in Ireland, installation of higher efficiency chillers at our site in Indianapolis and completion of a substantial efficiency upgrade of chilled water system at our site in Puerto Rico. |

# 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<br>Indirect costs<br>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 2022, completed the 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 climate transition?**

| | Identification of spending/revenue that is aligned with your organization's climate transition | Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy |
|---|---|---|
| Row 1 | Yes, we identify alignment with a sustainable finance taxonomy | At the company level only |

## C3.5a

**(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.**

**Financial Metric**

CAPEX

**Type of alignment being reported for this financial metric**

Alignment with a sustainable finance taxonomy

**Taxonomy under which information is being reported**

Other, please specify

Internally developed framework which includes criteria such as Pollution Prevention and Control, Energy Efficiency, Renewable Energy, Sustainable Water Management, Clean Transportation and Terrestrial and Aquatic Biodiversity Conservation.

**Objective under which alignment is being reported**

Total across all objectives

**Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)**

225,000,000

**Percentage share of selected financial metric aligned in the reporting year (%)**

12

**Percentage share of selected financial metric planned to align in 2025 (%)**

10

**Percentage share of selected financial metric planned to align in 2030 (%)**

10

**Describe the methodology used to identify spending/revenue that is aligned**

Expenditures related to key performance indicators (KPIs) relating to Pollution Prevention and Control, Energy Efficiency, Renewable Energy, Sustainable Water Management, Clean Transportation and Terrestrial and Aquatic Biodiversity Conservation are tracked. Identification of climate-related risks in these areas have helped inform investment and financial planning strategies.

Methodology: Our finance teams, environmental teams and operational business areas partner together to identify and track projects which fall under the eligibility criteria that we have developed and documented within a framework document. Project benefits are aligned with environmental sustainability-related key performance indicators. Projects are identified throughout the year, compiled annually to evaluate the overall spend associated with the relevant projects, and reported through our Sustainability Allocation and Impact report.

## C3.5c

**(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.**

N/A

# 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

**Is this a science-based target?**

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

**Target ambition**

**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)**

**Base year**

2019

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

192,075

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

616,431

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)**

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

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

808,506

**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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)**

**Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)**

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

**Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)**

**Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**

**Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)**

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)**

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)**

**Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)**

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)**

**Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)**

**Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**

**Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)**

**Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)**

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

**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)**

171,000

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

374,000

**Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 14: Franchises  emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 15: Investments  emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)**

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

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

545,000

### Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

32.5917185525

### Target status in reporting year

Underway

### 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. In 2022, we achieved a 13% absolute emissions reduction versus 2021 and a 32.5% reduction since 2019. This reduction was driven by energy efficiency improvements and an increase in the purchase and use of renewable electricity. The recent reduction initiatives include optimization of our HVAC and Chiller systems at our sites in Spain, France, New Jersey, Ireland, Italy and Indiana. These initiatives reduced energy consumption by a collective estimated 22,000 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 2022, 14.4% of our purchased electricity was secured from renewable energy sources.

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

## 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)**
757,378

**% 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**

14.4

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

8.2529474812

**Target status in reporting year**

Underway

**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?**

RE100

**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**

In 2022, 14.4% of our purchased electricity came from renewable sources.

In 2022, we joined RE100, focusing our efforts to bring renewable electricity onto the grid, using a three-pronged approach.

The first, and most effective effort, is implementing direct renewable electricity through on-site installation. We have established on-site solar arrays at our sites in France, Ireland, India and Spain. On-site solar contributed to approximately 2,200 MWh of electricity generation representing roughly 0.34% of our purchased electricity. In addition, we are in the construction phase of a new solar array at our site in Puerto

Rico, an expansion of our solar array in Ireland, and evaluating several additional on-site renewable energy projects.

Second, we are purchasing renewable energy from our utility providers across our sites in Spain, Ireland, Germany and Switzerland. We purchased roughly 63,700 MWh of renewable electricity, representing 9.6% of our purchased electricity.

Third, we are purchasing Renewable Energy Certificates (RECs) in regions that are connected to the same grid as our operations. For 2022, we purchased 29,800 MWh of RECs through our utility provider in the U.S., representing 4.5% of our purchased electricity.

We have reduced GHG emissions at key facilities by leveraging solar energy. In 2022, Lilly started up a new 20,000 square-meter parking canopy solar array in Fegersheim, France, which allows the manufacturing site to directly produce about 12% of its electrical energy needs through sustainable power. Additionally, the site installed 72 charging ports for electric vehicles. Additionally, our sites in Puerto Rico and Ireland have begun an installation of additional solar arrays, which are anticipated to be online in 2023.

We plan to continue to invest in a combination of on-site and off-site renewable energy projects to support our goal of achieving 100% renewable electricity.

**List the actions which contributed most to achieving this target**

## 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 | 38 | 5,388 |
| To be implemented* | 43 | 15,188 |
| Implementation commenced* | 13 | 8,457 |
| Implemented* | 20 | 28,963 |
| Not to be implemented | 4 | 1,571 |

## C4.3b

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

**Initiative category & Initiative type**

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

**Estimated annual CO2e savings (metric tonnes CO2e)**

8,665

**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)**

1,351,773

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

261,865

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

This represents several projects reducing energy consumption on our HVAC systems.

---

**Initiative category & Initiative type**

Low-carbon energy generation

Solar PV

**Estimated annual CO2e savings (metric tonnes CO2e)**

276

**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)**

100,000

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

5,000,000

**Payback period**

16-20 years

**Estimated lifetime of the initiative**

21-30 years

**Comment**

This is a capital lease contract installation of 4MWp solar PV in Fegersheim, France.

---

**Initiative category & Initiative type**

Energy efficiency in production processes

Combined heat and power (cogeneration)

**Estimated annual CO2e savings (metric tonnes CO2e)**

0

**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)**

5,000,000

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

10,000,000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

16-20 years

**Comment**

Installation of a 4.4 MW trigeneration system at our Sesto, Italy manufacturing site. Initially, there is a slight increase in GHG emissions, but planned future manufacturing expansions at the site will result in a 6% CO2e reduction annually as a result of this installation.

---

**Initiative category & Initiative type**

Energy efficiency in production processes
Combined heat and power (cogeneration)

**Estimated annual CO2e savings (metric tonnes CO2e)**

15,000

**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)**

5,000,000

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

50,000,000

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

16-20 years

**Comment**

Commenced operations of a 9.4 MW Cogeneration system in Puerto Rico in 2022.

---

**Initiative category & Initiative type**

Energy efficiency in production processes

Other, please specify

Site utilities generation and distribution system improvements

**Estimated annual CO2e savings (metric tonnes CO2e)**

5,022

**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)**

928,000

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

3,530,000

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

These projects are various improvements in chilled water systems, lighting, and other site utilities improvements.

# 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 132,000 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.<br><br>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

## 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? |
|---|---|
| Row 1 | No |

# 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)

192,075

### 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)

596,000

### 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)

466,000

### 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)

2,434,210

### 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)

116,387

### 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)

141,255

### 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)

18,387

### 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)

8,581

### 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)

25,108

### 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)

173,777

### 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)

69,606

### 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)

171,000

#### Comment

Represents global gross Scope 1 emissions in accordance with existing GHG Protocol corporate standards.

## 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 in accordance with existing GHG Protocol corporate standards.

## C6.3

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

### Reporting year

### Scope 2, location-based

415,000

### Scope 2, market-based (if applicable)

374,000

### Comment

Represents global gross Scope 2 emissions in accordance with existing GHG Protocol corporate standards.

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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)

2,087,950

### Emissions calculation methodology

Hybrid method

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

1

### Please explain

For those suppliers whose line items are categorized as 'purchased services', supplier Scope 1, 2 & 3 supply chain data are used to develop emission factors. These supplier GHG emissions are attributed to Lilly based on the proportion of the supplier's total revenue attributed to Lilly. For suppliers whose items are categorized as 'purchased goods', where possible, line items are included with a description and a weight using an item-specific emission factor (kgCO2e/kg). Where neither of these two methods is practicable, Lilly's spend data are multiplied with EEIO detailed commodity without margins emission factors to calculate absolute emissions from purchased goods and services data.
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

Spend-based method

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

0

### Please explain

For those suppliers whose services are categorized as 'capital goods', Lilly spend data are multiplied with EEIO detailed commodity without margins emission factors to calculate absolute emissions from all capital goods. The calculation of Category 2 Capital Goods emissions has been included in Category 1- Purchased Goods and Services calculation. This is because 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)

137,940

### Emissions calculation methodology

Average data method

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

1

### Please explain

Lilly consumption data (e.g. kWh) are multiplied by secondary emission factors for well-to-tank upstream emissions for the fuel or energy source concerned.

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

784,900

### Emissions calculation methodology

Spend-based method

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

0

### Please explain

Lilly transportation spend was multiplied by a EEIO detailed commodity without margins emission factors to calculate emissions.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

31,070

### Emissions calculation methodology

Average data method

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

1

### Please explain

Lilly waste treatment data are multiplied by secondary emission factors for waste disposal emissions for the management route concerned.

## Business travel

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

22,400

### Emissions calculation methodology

Average data method

Distance-based method

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

85

### Please explain

Incorporated under this category are air travel, road travel (cars not company owned) and rail travel. Calculations for air travel are performed using distances travelled as reported by our travel service provider. Road and rail travel are estimated based on spend using the average-data method.

## Employee commuting

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

33,440

### Emissions calculation methodology

Average data method

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

1

### Please explain

Lilly full time equivalent commuting employee numbers are combined with commuting data and secondary emission factors for commuting by each transport mode concerned.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Please explain

This category has been determined not to be relevant.  It is not relevant because emissions from leased assets are already included within our Scope 1 and 2 emissions reporting.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

4,010

### Emissions calculation methodology

Average data method

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

1

### Please explain

Emissions are calculated using the ‘average-data’ method', according to tonnages of sold product.  Lilly sold product tonnages are multiplied by secondary emission factors for downstream transport and storage emissions according to the transport mode concerned.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Please explain

This category is determined as not relevant. It is not relevant because our sold products do not require any further processing.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Please explain

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

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

77,280

### Emissions calculation methodology

Average data method

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

1

### Please explain

The ‘average-data method’ is used and all waste products are assumed to be sent for hazardous waste incineration.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Please explain

This category has been determined not to be relevant.  It is not relevant because emissions from leased assets are already included within our Scope 1 and 2 emissions reporting.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Please explain

This category has been determined not to be relevant.  It is not relevant because Lilly does not have any franchises.

## Investments

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

10

### Emissions calculation methodology

Average data method

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

1

### Please explain

Emissions are calculated using the average-data method as referenced in the GHG Protocol. Specifically, investee company revenue is multiplied by the EEIO summary industry without margins emission factors and then by the percent of Lilly’s investments in the company.

## Other (upstream)

### Evaluation status

Not relevant, explanation provided

**Please explain**

We have no other upstream emissions that are not already reported.

### Other (downstream)

**Evaluation status**

Not relevant, explanation provided

**Please explain**

We have no other downstream emissions 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**

0.000019

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

545,000

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

28,540,000,000

**Scope 2 figure used**

Market-based

**% change from previous year**

13

**Direction of change**

Decreased

**Reason(s) for change**

Change in renewable energy consumption

**Please explain**

The improvement of our emissions intensity (metric tonnes CO2 per dollar revenue) was primarily driven by an increase in renewable energy consumption.

# 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 | 167,498 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| CH4 | 131 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| N2O | 2,200 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| HFCs | 880 | IPCC Fourth Assessment Report (AR4 - 100 year) |

# C7.2

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

| Country/area/region | Scope 1 emissions (metric tons CO2e) |
|---|---|
| Algeria | 10.6 |
| Argentina | 47.9 |
| Australia | 146.4 |
| Austria | 293.3 |
| Belgium | 15.9 |
| Bosnia & Herzegovina | 1.6 |
| Brazil | 159.1 |
| Bulgaria | 2.2 |
| Canada | 854.4 |
| Chile | 1.7 |

| | |
|---|---|
| China | 1,194.8 |
| Colombia | 11.1 |
| Costa Rica | 3.6 |
| Croatia | 4.7 |
| Cyprus | 3 |
| Czechia | 15.1 |
| Denmark | 83.2 |
| Egypt | 2.5 |
| Finland | 46.9 |
| France | 7,681.1 |
| Germany | 4,320.5 |
| Greece | 146.5 |
| Other, please specify<br>Multi-country | 2,336.3 |
| Hong Kong SAR, China | 6 |
| Hungary | 10 |
| India | 154 |
| Indonesia | 0.4 |
| Ireland | 35,791 |
| Israel | 9 |
| Italy | 11,819.7 |
| Japan | 5,598.2 |

| | |
|---|---|
| Kazakhstan | 4.2 |
| Latvia | 1.1 |
| Lebanon | 9.1 |
| Lithuania | 0.9 |
| Malaysia | 29.6 |
| Mexico | 1,044.1 |
| Morocco | 2 |
| Netherlands | 17.8 |
| Norway | 39.7 |
| Pakistan | 9.5 |
| Peru | 6.6 |
| Philippines | 0.2 |
| Poland | 12.2 |
| Portugal | 174.2 |
| Puerto Rico | 46,220.8 |
| Qatar | 0.3 |
| Romania | 223 |
| Russian Federation | 11.9 |
| Saudi Arabia | 14.2 |
| Serbia | 1.5 |
| Singapore | 230.3 |
| Slovakia | 2.6 |

| | |
|---|---|
| Slovenia | 3.7 |
| South Africa | 16.1 |
| Republic of Korea | 46.9 |
| Spain | 4,965.5 |
| Sweden | 139.4 |
| Taiwan, China | 14.8 |
| Thailand | 0.9 |
| Turkey | 336.7 |
| Ukraine | 1 |
| United Arab Emirates | 9.5 |
| United Kingdom of Great Britain and Northern Ireland | 580.6 |
| United States of America | 45,682 |
| Viet Nam | 0.1 |

# 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 | 112,078 |
| Mobile Combustion | 45,749 |

| | |
|---|---|
| Process Emissions | 2,038 |
| Refrigerants | 10,845 |

## C7.5

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

| Country/area/region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|---|---|---|
| Algeria | 164.8 | 164.8 |
| Argentina | 143 | 143 |
| Australia | 748.3 | 748.3 |
| Austria | 94 | 94 |
| Belgium | 91.8 | 84.6 |
| Bosnia & Herzegovina | 16.4 | 16.4 |
| Brazil | 397.6 | 397.6 |
| Bulgaria | 16.2 | 16.2 |
| Canada | 13.9 | 24.7 |
| Chile | 8.7 | 8.7 |
| China, Macao Special Administrative Region | 15,735.8 | 15,735.8 |
| Colombia | 57.4 | 57.4 |
| Costa Rica | 18.5 | 18.5 |
| Croatia | 16.8 | 39.2 |
| Cyprus | 31.3 | 31.4 |
| Czechia | 137.7 | 149.5 |

| | | |
|---|---|---|
| Denmark | 37.2 | 108.5 |
| Egypt | 39.6 | 39.6 |
| Finland | 9.3 | 27.7 |
| France | 1,397.8 | 1,656.6 |
| Germany | 205.9 | 0 |
| Greece | 583.5 | 770.6 |
| Hong Kong SAR, China | 70.9 | 70.9 |
| Hungary | 40.6 | 50.1 |
| India | 1,978.9 | 1,978.9 |
| Indonesia | 5.3 | 5.3 |
| Ireland | 18,772 | 763.9 |
| Israel | 75.6 | 75.6 |
| Italy | 6,656.1 | 9,903.9 |
| Japan | 3,317.9 | 3,317.9 |
| Kazakhstan | 43.2 | 43.2 |
| Latvia | 4.4 | 6.1 |
| Lebanon | 79.1 | 79.1 |
| Lithuania | 3.7 | 6.5 |
| Malaysia | 302 | 302 |
| Mexico | 829.4 | 829.4 |
| Morocco | 26.9 | 26.9 |
| Netherlands | 118.7 | 144.5 |

| | | |
|---|---|---|
| Norway | 0.3 | 27.3 |
| Pakistan | 82.4 | 82.4 |
| Peru | 34.3 | 34.3 |
| Philippines | 2.1 | 2.1 |
| Poland | 157 | 171.9 |
| Portugal | 35.6 | 60.9 |
| Puerto Rico | 32,109.5 | 32,895.2 |
| Qatar | 2.6 | 2.6 |
| Romania | 45.2 | 45.9 |
| Russian Federation | 68.7 | 68.7 |
| Saudi Arabia | 156.8 | 156.8 |
| Serbia | 18.3 | 20.1 |
| Singapore | 487.8 | 487.8 |
| Slovakia | 7.7 | 8.6 |
| Slovenia | 14.6 | 38.1 |
| South Africa | 250.9 | 250.9 |
| Republic of Korea | 234.9 | 234.9 |
| Spain | 2,168.7 | 0 |
| Sweden | 0.9 | 9.2 |
| Switzerland | 1.1 | 0 |
| Taiwan, China | 150.8 | 150.8 |
| Thailand | 6.4 | 6.4 |

| | | |
|---|---|---|
| Turkey | 89.2 | 89.2 |
| Ukraine | 7.5 | 7.5 |
| United Arab Emirates | 68.9 | 68.9 |
| United Kingdom of Great Britain and Northern Ireland | 580.2 | 187.8 |
| United States of America | 199,027.5 | 173,873.7 |
| Viet Nam | 0.9 | 0.9 |

## 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 | 287,890 | 246,709 |
| Chilled water consumption | 211 | 211 |
| Steam consumption | 127,045 | 137,942 |

## C7.7

**(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?**

No

# 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 in emissions | Emissions value (percentage) | Please explain calculation |
|---|---|---|---|---|
| Change in renewable energy consumption | 81,325 | Decreased | 20 | Our renewables contribution increased in 2022 as compared to 2021. Please see details below:<br>Through the end of 2022, 95,700 MWh representing roughly 14.4% of our purchased electricity came from renewable sources.<br><br>In 2022, we joined RE100, focusing our efforts to bring renewable electricity onto the grid, using a three-pronged approach.<br><br>The first, and most effective effort, is implementing direct renewable electricity through on-site installation. We have established on-site solar arrays at our sites in France, Ireland, India and Spain. On-site solar contributed to approximately 2,200 MWh of electricity generation representing roughly 0.34% of our purchased electricity. In addition, we are in the construction phase of a new solar array at our site in Puerto Rico, an expansion of our solar array in Ireland, and evaluating several additional on-site renewable energy projects. |

| | | | | |
|---|---|---|---|---|
| | | | | Second, we are purchasing renewable energy from our utility providers across our sites in Spain, Ireland, Germany and Switzerland. We purchased roughly 63,700 MWh of renewable electricity, representing 9.6% of our purchased electricity.<br><br>Third, we are purchasing Renewable Energy Certificates (RECs) in regions that are connected to the same grid as our operations. For 2022, we purchased 29,800 MWh of RECs through our utility provider in the U.S., representing 4.5% of our purchased electricity. |
| Other emissions reduction activities | 72,808 | Decreased | 15 | The largest driver of this drop is from the switch to a Cogen (Combined Heat & Power) system at one of Lilly's largest sites PR01/PR05, which decreased the amount of electricity used by switching to LNG (swapping of emissions between scope 1 and scope 2). Also, a ~10,000 mtCO2e decrease in steam usage. An additional 5% reduction in scope 2 market-based vs. location-based is from the increase in renewable instruments (e.g., green power from utilities, RECs, solar PPAs) from 2021 to 2022. |
| 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 | 0 | No change | 0 | N/A |
| 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?**

Market-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 | No |

| | |
|---|---|
| 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 | 742,003 | 742,003 |
| Consumption of purchased or acquired electricity | | 123,291 | 539,333 | 662,624 |
| Consumption of purchased or acquired steam | | 0 | 560,623 | 560,623 |
| Consumption of purchased or acquired cooling | | 0 | 1,770 | 1,770 |
| Consumption of self-generated non-fuel renewable energy | | 2,228 | | 2,228 |
| Total energy consumption | | 125,519 | 1,843,729 | 1,969,248 |

# 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- cogeneration or self-trigeneration

0

#### Comment

N/A

## 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- cogeneration or self-trigeneration

0

### Comment

N/A

## 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- cogeneration or self-trigeneration

0

### Comment

N/A

## 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- cogeneration or self-trigeneration

0

### Comment

N/A

## Oil

### Heating value

HHV

### Total fuel MWh consumed by the organization

126,516

### MWh fuel consumed for self-generation of electricity

4,996

### MWh fuel consumed for self-generation of heat

26,954

### MWh fuel consumed for self-generation of steam

77,441

### MWh fuel consumed for self- cogeneration or self-trigeneration

17,125

### 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

466,510

### MWh fuel consumed for self-generation of electricity

0

### MWh fuel consumed for self-generation of heat

74,007

### MWh fuel consumed for self-generation of steam

193,630

### MWh fuel consumed for self- cogeneration or self-trigeneration

198,873

### Comment

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

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

### Heating value

HHV

### Total fuel MWh consumed by the organization

148,977

### MWh fuel consumed for self-generation of electricity

0

### MWh fuel consumed for self-generation of heat

147,527

### MWh fuel consumed for self-generation of steam

1,450

### 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

742,003

### MWh fuel consumed for self-generation of electricity

4,996

### MWh fuel consumed for self-generation of heat

248,541

### MWh fuel consumed for self-generation of steam

272,468

### MWh fuel consumed for self- cogeneration or self-trigeneration

215,998

### Comment

N/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 | 93,684 | 93,627 | 7,029 | 6,972 |
| Heat | 248,541 | 248,541 | 0 | 0 |
| Steam | 285,762 | 285,762 | 0 | 0 |
| Cooling | 645,725 | 645,725 | 0 | 0 |

## C8.2g

**(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.**

**Country/area**

Algeria

**Consumption of purchased electricity (MWh)**

190.17

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

190.17

---

**Country/area**

Argentina

**Consumption of purchased electricity (MWh)**

496.28

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

496.28

**Country/area**

Australia

**Consumption of purchased electricity (MWh)**

1,025.13

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

1,025.13

**Country/area**

Austria

**Consumption of purchased electricity (MWh)**

326.41

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

326.41

---

**Country/area**

Belgium

**Consumption of purchased electricity (MWh)**

567.25

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

567.25

---

**Country/area**

Bosnia & Herzegovina

**Consumption of purchased electricity (MWh)**

29.38

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

29.38

---

**Country/area**

Brazil

**Consumption of purchased electricity (MWh)**

3,069.95

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

3,069.95

---

**Country/area**

Bulgaria

**Consumption of purchased electricity (MWh)**

40.03

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

40.03

---

**Country/area**

Canada

**Consumption of purchased electricity (MWh)**

548.36

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

548.36

---

**Country/area**

Chile

**Consumption of purchased electricity (MWh)**

30.17

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

30.17

---

**Country/area**

China

**Consumption of purchased electricity (MWh)**

28,240.78

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

21,918.2

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

50,158.98

---

**Country/area**

Colombia

**Consumption of purchased electricity (MWh)**

199.13

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

199.13

---

**Country/area**

Costa Rica

**Consumption of purchased electricity (MWh)**

64.37

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

64.37

**Country/area**

Croatia

**Consumption of purchased electricity (MWh)**

83.99

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

83.99

**Country/area**

Cyprus

**Consumption of purchased electricity (MWh)**

50.29

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

50.29

---

**Country/area**

Czechia

**Consumption of purchased electricity (MWh)**

271.84

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

271.84

---

**Country/area**

Denmark

**Consumption of purchased electricity (MWh)**

204.99

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

204.99

---

**Country/area**

Egypt

**Consumption of purchased electricity (MWh)**

45.72

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

45.72

---

**Country/area**

Finland

**Consumption of purchased electricity (MWh)**

97.19

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

97.19

---

**Country/area**

France

**Consumption of purchased electricity (MWh)**

34,108.39

**Consumption of self-generated electricity (MWh)**

1,658

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

35,766.39

---

**Country/area**

Germany

**Consumption of purchased electricity (MWh)**

545.16

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

545.16

---

**Country/area**

Greece

**Consumption of purchased electricity (MWh)**

1,733.19

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

1,733.19

---

**Country/area**

Hong Kong SAR, China

**Consumption of purchased electricity (MWh)**

99.89

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

99.89

---

**Country/area**

Hungary

**Consumption of purchased electricity (MWh)**

181.44

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

181.44

**Country/area**

India

**Consumption of purchased electricity (MWh)**

2,774.74

**Consumption of self-generated electricity (MWh)**

43

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

2,817.74

**Country/area**

Indonesia

**Consumption of purchased electricity (MWh)**

6.77

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

6.77

---

**Country/area**

Ireland

**Consumption of purchased electricity (MWh)**

49,779.85

**Consumption of self-generated electricity (MWh)**

36,550

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

86,329.85

---

**Country/area**

Israel

**Consumption of purchased electricity (MWh)**

157.26

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

157.26

---

**Country/area**

Italy

**Consumption of purchased electricity (MWh)**

21,691.86

**Consumption of self-generated electricity (MWh)**

10,800

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

32,491.86

---

**Country/area**

Japan

**Consumption of purchased electricity (MWh)**

7,189.46

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

7,189.46

---

**Country/area**

Kazakhstan

**Consumption of purchased electricity (MWh)**

76.14

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

76.14

---

**Country/area**

Latvia

**Consumption of purchased electricity (MWh)**

20.24

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

20.24

---

**Country/area**

Lebanon

**Consumption of purchased electricity (MWh)**

164.57

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

164.57

---

**Country/area**

Lithuania

**Consumption of purchased electricity (MWh)**

16.89

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

16.89

---

**Country/area**

Malaysia

**Consumption of purchased electricity (MWh)**

532.55

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

532.55

**Country/area**

Mexico

**Consumption of purchased electricity (MWh)**

2,764.8

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

2,764.8

**Country/area**

Morocco

**Consumption of purchased electricity (MWh)**

31.09

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

31.09

---

**Country/area**

Netherlands

**Consumption of purchased electricity (MWh)**

320.54

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

320.54

---

**Country/area**

Norway

**Consumption of purchased electricity (MWh)**

67.48

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

67.48

---

**Country/area**

Pakistan

**Consumption of purchased electricity (MWh)**

171.41

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

171.41

---

**Country/area**

Peru

**Consumption of purchased electricity (MWh)**

119.22

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

119.22

---

**Country/area**

Philippines

**Consumption of purchased electricity (MWh)**

3.66

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

3.66

---

**Country/area**

Poland

**Consumption of purchased electricity (MWh)**

202.19

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

202.19

---

**Country/area**

Portugal

**Consumption of purchased electricity (MWh)**

216.68

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

216.68

---

**Country/area**

Puerto Rico

**Consumption of purchased electricity (MWh)**

45,277.07

**Consumption of self-generated electricity (MWh)**

37,460

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

82,737.07

---

**Country/area**

Qatar

**Consumption of purchased electricity (MWh)**

5.49

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

5.49

**Country/area**

Romania

**Consumption of purchased electricity (MWh)**

162.92

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

162.92

**Country/area**

Russian Federation

**Consumption of purchased electricity (MWh)**

213.58

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

213.58

---

**Country/area**

Saudi Arabia

**Consumption of purchased electricity (MWh)**

255.3

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

255.3

---

**Country/area**

Serbia

**Consumption of purchased electricity (MWh)**

26.26

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

26.26

---

**Country/area**

Singapore

**Consumption of purchased electricity (MWh)**

1,195.7

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

1,195.7

---

**Country/area**

Slovakia

**Consumption of purchased electricity (MWh)**

46.45

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

46.45

---

**Country/area**

Slovenia

**Consumption of purchased electricity (MWh)**

67.41

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

67.41

---

**Country/area**

South Africa

**Consumption of purchased electricity (MWh)**

289.51

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

289.51

---

**Country/area**

Republic of Korea

**Consumption of purchased electricity (MWh)**

571.01

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

571.01

---

**Country/area**

Spain

**Consumption of purchased electricity (MWh)**

14,146.52

**Consumption of self-generated electricity (MWh)**

460

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

14,606.52

---

**Country/area**

Sweden

**Consumption of purchased electricity (MWh)**

119.41

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

119.41

**Country/area**

Switzerland

**Consumption of purchased electricity (MWh)**

92.3

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

92.3

**Country/area**

Taiwan, China

**Consumption of purchased electricity (MWh)**

266

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

266

---

**Country/area**

Thailand

**Consumption of purchased electricity (MWh)**

15.73

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

15.73

---

**Country/area**

Turkey

**Consumption of purchased electricity (MWh)**

209.37

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

209.37

---

**Country/area**

Ukraine

**Consumption of purchased electricity (MWh)**

26.01

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

26.01

---

**Country/area**

United Arab Emirates

**Consumption of purchased electricity (MWh)**

171.8

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

171.8

---

**Country/area**

United Kingdom of Great Britain and Northern Ireland

**Consumption of purchased electricity (MWh)**

1,006.1

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

1,006.1

---

**Country/area**

United States of America

**Consumption of purchased electricity (MWh)**

440,345.21

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

532,962.29

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

973,307.5

---

**Country/area**

Viet Nam

**Consumption of purchased electricity (MWh)**

1.65

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

No

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

1.65

## C8.2h

**(C8.2h) Provide details of your organization's renewable electricity purchases in the reporting year by country/area.**

**Country/area of consumption of purchased renewable electricity**

Spain

**Sourcing method**

Retail supply contract with an electricity supplier (retail green electricity)

**Renewable electricity technology type**

Solar

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

14,147

**Tracking instrument used**

Contract

**Country/area of origin (generation) of purchased renewable electricity**

Spain

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

No

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

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2022

**Supply arrangement start year**

2021

**Additional, voluntary label associated with purchased renewable electricity**

No additional, voluntary label

**Comment**

On going 100% green electricity purchase contract with Acciona Green Energy Developments

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**Country/area of consumption of purchased renewable electricity**

Germany

**Sourcing method**

Unbundled procurement of Energy Attribute Certificates (EACs)

**Renewable electricity technology type**

Solar

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

545

**Tracking instrument used**

GO

**Country/area of origin (generation) of purchased renewable electricity**

Germany

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

No

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

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2022

**Supply arrangement start year**

2021

**Additional, voluntary label associated with purchased renewable electricity**

No additional, voluntary label

**Comment**

Renewable Energy Certificates (GO) are purchased directly by the Lilly sites/facilities

**Country/area of consumption of purchased renewable electricity**

Ireland

**Sourcing method**

Retail supply contract with an electricity supplier (retail green electricity)

**Renewable electricity technology type**

Wind

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

1,258

**Tracking instrument used**

Contract

**Country/area of origin (generation) of purchased renewable electricity**

Ireland

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

No

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

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2022

**Supply arrangement start year**

2021

**Additional, voluntary label associated with purchased renewable electricity**

No additional, voluntary label

### Comment

On going 100% green electricity purchase contract for our site in Cork, Ireland with SSE Airtricity

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### Country/area of consumption of purchased renewable electricity

Ireland

### Sourcing method

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

### Renewable electricity technology type

Solar

### Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

4,802

### Tracking instrument used

No instrument used

### Country/area of origin (generation) of purchased renewable electricity

Ireland

### Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

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

2021

### Vintage of the renewable energy/attribute (i.e. year of generation)

2022

### Supply arrangement start year

2021

### Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

### Comment

Our site in Kinsale, Ireland uses a behind the meter / direct wire  power generation that doesn't use any external grid and feeds directly into Lilly. ( i.e. we use what is generated directly). The solar array sits on the site owned by Lilly but is managed and operated by a third party.

---

### Country/area of consumption of purchased renewable electricity

Ireland

### Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

### Renewable electricity technology type

Renewable electricity mix, please specify

Solar + wind

### Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

37,582

### Tracking instrument used

Contract

### Country/area of origin (generation) of purchased renewable electricity

Ireland

### Are you able to report the commissioning or re-powering year of the energy generation facility?

No

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

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2022

**Supply arrangement start year**

2021

**Additional, voluntary label associated with purchased renewable electricity**

No additional, voluntary label

**Comment**

On going 100% green electricity purchase contract for our site in Kinsale, Ireland with Electric Ireland

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**Country/area of consumption of purchased renewable electricity**

Switzerland

**Sourcing method**

Unbundled procurement of Energy Attribute Certificates (EACs)

**Renewable electricity technology type**

Solar

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

92

**Tracking instrument used**

GO

**Country/area of origin (generation) of purchased renewable electricity**

Switzerland

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

No

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

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2022

**Supply arrangement start year**

2020

**Additional, voluntary label associated with purchased renewable electricity**

Other, please specify

Naturemade Star

**Comment**

Renewable Energy Certificates (GO) are purchased directly by the Lilly sites/facilities

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**Country/area of consumption of purchased renewable electricity**

United Kingdom of Great Britain and Northern Ireland

**Sourcing method**

Unbundled procurement of Energy Attribute Certificates (EACs)

**Renewable electricity technology type**

Solar

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

471

**Tracking instrument used**

GO

**Country/area of origin (generation) of purchased renewable electricity**

United Kingdom of Great Britain and Northern Ireland

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

No

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

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2022

**Supply arrangement start year**

2021

**Additional, voluntary label associated with purchased renewable electricity**

No additional, voluntary label

**Comment**

Renewable Energy Certificates (GO) are purchased directly by the Lilly sites/facilities

---

**Country/area of consumption of purchased renewable electricity**

United States of America

**Sourcing method**

Unbundled procurement of Energy Attribute Certificates (EACs)

**Renewable electricity technology type**

Wind

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

29,798

**Tracking instrument used**

US-REC

**Country/area of origin (generation) of purchased renewable electricity**

United States of America

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

No

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

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2022

**Supply arrangement start year**

2021

**Additional, voluntary label associated with purchased renewable electricity**

Green-e

**Comment**

Renewable Energy Certificates (GO) are purchased directly by the Lilly sites/facilities

## C8.2i

**(C8.2i) Provide details of your organization's low-carbon heat, steam, and cooling purchases in the reporting year by country/area..**

**Sourcing method**

None (no purchases of low-carbon heat, steam, or cooling)

**Country/area of consumption of low-carbon heat, steam or cooling**

**Energy carrier**

**Low-carbon technology type**

**Low-carbon heat, steam, or cooling consumed (MWh)**

**Comment**

## C8.2j

**(C8.2j) Provide details of your organization's renewable electricity generation by country/area in the reporting year.**

**Country/area of generation**

Spain

**Renewable electricity technology type**

Solar

**Facility capacity (MW)**

0.39

**Total renewable electricity generated by this facility in the reporting year (MWh)**

460

**Renewable electricity consumed by your organization from this facility in the reporting year (MWh)**

460

**Energy attribute certificates issued for this generation**

No

**Type of energy attribute certificate**

**Comment**

---

**Country/area of generation**

Ireland

**Renewable electricity technology type**

Solar

**Facility capacity (MW)**

4

**Total renewable electricity generated by this facility in the reporting year (MWh)**

67

**Renewable electricity consumed by your organization from this facility in the reporting year (MWh)**

67

**Energy attribute certificates issued for this generation**

No

**Type of energy attribute certificate**

**Comment**

---

**Country/area of generation**

France

**Renewable electricity technology type**

Solar

**Facility capacity (MW)**

4.2

**Total renewable electricity generated by this facility in the reporting year (MWh)**

1,658

**Renewable electricity consumed by your organization from this facility in the reporting year (MWh)**

1,601

**Energy attribute certificates issued for this generation**

No

**Type of energy attribute certificate**

**Comment**

**Country/area of generation**

India

**Renewable electricity technology type**

Solar

**Facility capacity (MW)**

0.04

**Total renewable electricity generated by this facility in the reporting year (MWh)**

43

**Renewable electricity consumed by your organization from this facility in the reporting year (MWh)**

43

**Energy attribute certificates issued for this generation**

No

**Type of energy attribute certificate**

**Comment**

## C8.2k

**(C8.2k) Describe how your organization's renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.**

In 2021, Eli Lilly set a goal to use 100% renewable electricity across our global operations by 2030. This public renewable electricity commitment sent out a strong message to our internal and external stakeholders and the wider pharmaceutical industry. This 100% renewable electricity target was further amplified in 2022 by becoming a signatory to the RE100 commitment.

In 2022 we progressed our renewable electricity procurement through a combination of expanding on-site solar PV arrays and purchasing bundled and unbundled energy attribute certificates (EACs). Our current guideline is to consider as acceptable EACs based on location (certificates must be delivered from the same region as our consumption) and generation timing (recent EAC generation). We recognize that this sourcing method will have positive indirect impacts but may be limited in direct impacts.

In 2021, we initiated a program of work to add new renewable electricity sources to the locations that we operate in:

- We recognize the many benefits of self-generated renewables to site energy costs, resilience and employee engagement and we are investing in on-site solar PV installations in Europe and in the United States. These projects are also improving our site energy resilience.
- There is a limit to the scale that can be achieved through on-site solar PV and so to deliver additional renewables we are aiming to meet the majority of our electricity needs in our primary consumption locations — USA, Europe, China — through power purchase agreements (PPAs) by 2030.

We report on this strategy publicly in our Sustainability Report and press releases to demonstrate our commitment to additional sources of grid-connected renewables in the locations that we operate.

# C8.2l

### (C8.2l) In the reporting year, has your organization faced any challenges to sourcing renewable electricity?

| | Challenges to sourcing renewable electricity |
|---|---|
| Row 1 | No |

# 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**

Eli Lilly Assurance Report_2022_23_Final.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 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**

Eli Lilly Assurance Report_2022_23_Final.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

**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**

Eli Lilly Assurance Report_2022_23_Final.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 |
|---|---|---|---|
| C4. Targets and performance | Year on year change in emissions (Scope 1 and 2) | ISAE3000 | We retain a verification service provider to perform this review on an annual basis to assess progress against our goals, targets and commitments. The assurance provider verified our 2022 scope 1 and 2 targets and performance metrics and provided a statement of limited assurance for this metric in accordance with ISAE 3000. |
| C5. Emissions performance | Year on year change in emissions (Scope 1 and 2) | ISAE3000 | We retain a verification service provider to perform this review on an annual basis to assess progress against our goals, targets and commitments. The assurance provider verified our 2022 scope 1 and 2 emissions and performance metrics and provided a statement of limited assurance for this metric in accordance with ISAE 3000. |
| C8. Energy | Energy consumption | ISAE3000 | We retain a verification service provider to perform this review on an annual basis to assess progress against our goals, targets and commitments. The assurance provider verified our 2022 energy consumption metrics and provided a statement of limited assurance for this metric in accordance with ISAE 3000. |
| C6. Emissions data | Year on year change in emissions (Scope 3) | ISAE3000 | We retain a verification service provider to perform this review on an annual basis to assess progress against our goals, targets and commitments. The assurance provider verified our 2022 Scope 3 emissions data metrics and provided a statement of limited assurance for this metric in accordance with ISAE 3000. |

# 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**

18.5

**% of Scope 2 emissions covered by the ETS**

0

**Period start date**

January 1, 2022

**Period end date**

December 31, 2022

**Allowances allocated**

8,173

**Allowances purchased**

23,541

**Verified Scope 1 emissions in metric tons CO2e**

171,000

**Verified Scope 2 emissions in metric tons CO2e**

0

**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 is does not include scope 2 emissions.

Our emissions within the scope of EU Emissions Trading Schemes in 2022 was 31,714 tonnes out, which accounts for 18.5% of our total scope 1 emissions of 171,000 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 canceled any project-based carbon credits within the reporting year?

No

# C11.3

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

Yes

# C11.3a

### (C11.3a) Provide details of how your organization uses an internal price on carbon.

**Type of internal carbon price**

Shadow price

**How the price is determined**

Price/cost of voluntary carbon offset credits
Price with material impact on business decisions

**Objective(s) for implementing this internal carbon price**

Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

### Scope(s) covered

Scope 1
Scope 2

### Pricing approach used – spatial variance

Differentiated

### Pricing approach used – temporal variance

Static

### Indicate how you expect the price to change over time

### Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

5

### Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

25

### Business decision-making processes this internal carbon price is applied to

Capital expenditure
Procurement

### Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for some decision-making processes, please specify

### Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

Projects that have multiple environmental benefits are given greater flexibility on the threshold price per tCO2e saved. By assigning a cost to carbon emissions, the internal carbon price has created an economic incentive for Lilly to reduce its emissions. It helps in assessing the external costs of greenhouse gas emissions/ carbon offsets, contributing to making it financially advantageous for us to invest in emission reduction measures and adopt cleaner technologies. This internal carbon price encourages decision-making in prioritizing low-carbon investments and

operational improvements. Relying on financial ROI alone would have led to many of the projects not being supported. The extended ROI for projects saving sufficient emissions/energy is supporting the business in taking a longer-term outlook to resource efficiency, and by valuing the GHG saving it drives an efficiency focus in the most GHG intensive locations, that may otherwise not have been prioritized.

# 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**

Innovation & collaboration (changing markets)

**Details of engagement**

Run a campaign to encourage innovation to reduce climate impacts on products and services

**% of suppliers by number**

1

**% total procurement spend (direct and indirect)**

1

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

5

### Rationale for the coverage of your engagement

We have been working with suppliers to reduce use of packaging and environmental impact of packaging. 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. We are engaging with our key suppliers of device and packaging components to better evaluate alternate low-carbon material and recycling options to minimize waste. We have advanced our understanding of the carbon footprint for our Trulicity device by conducting a thorough lifecycle analysis of the device. In 2022, we completed the lifecycle analysis for Trulicity (without the drug product) that included the entire device, secondary packaging, our manufacturing supply chain and other relevant aspects. The lifecycle analysis was conducted in accordance with ISO 14040, which is a recognized international standard for assessment of the environmental aspects of a product or service in its entire lifecycle. The lifecycle analysis identified key opportunities for reducing our carbon footprint in the areas of device materials, secondary packaging, transportation and manufacturing. We are evaluating these focus areas based on prioritization and impact to the environment, without jeopardizing the supply of medicine to our patients. We are investing in research to identify renewable/bio-based materials to help make our future packaging and devices more sustainable and exploring collaborations and partnerships with our key materials suppliers to evaluate the feasibility for improving the sustainability of existing devices.

### Impact of engagement, including measures of success

For example, in 2022, we changed the design of our Tempo Smart Button Packaging, US Refill Kit Design to enhance the sustainability of the product, creating positive impacts along our value chain. The refill kit is a packaging case comprised of various components the patient needs for use of the Tempo system. During packaging development, the design optimization process led to a reduction in the overall size of the packaging (i.e., length and width), which resulted in less waste generation and approximately 25% less warehouse storage space utilization.

Outcome - The outcome of this packaging redesign of one of our product has resulted in direct impact on waste generation reduction. This also resulted in less warehouse space required for storage of these products, ultimately resulting in reduced cooling and cold storage requirements. These outcomes are related to our climate strategy to reduce waste in operations and reduction in GHG emissions.

### Comment

### Type of engagement

Information collection (understanding supplier behavior)

### Details of engagement

Collect GHG emissions data at least annually from suppliers
Collect other climate related 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. A composite of the average data method and the spend-based method are used for the categories assessed for Lilly's Scope 3 GHG emissions, with the spend-based method alone used to fill data gaps. Currently 100% of emissions associated with Categories 1 and 2 are based on Extended Economic Input Output (EEIO) calculation based on spend data therefore, as our business and spend has grown so have our emissions using this methodology. We are working to improve the data quality associated with this disclosure. We are working to advance transparency across our value chain, including in our Scope 3 emissions. We have begun to engage with key suppliers and identify areas of our value chain where we could potentially drive emissions reductions. We intend to use the data gathered through our supplier engagement efforts to inform our evolving supply chain strategy related to climate change. Our aim is to find ways to collaborate across our industry peers and supply chain sectors to further our understanding of our entire value chain, their activities and impact on our Scope 3 emissions. We are also investigating additional opportunities to engage with suppliers to better track and analyze our supply chain emissions.

### Impact of engagement, including measures of success

In 2022, we assessed our Scope 3 (value-chain) emissions for the 2021 calendar year. This complex work was completed and reported in July 2022 through our CDP Climate Change submission. The emissions associated with our supply chain account for more than 80% of our total GHG emissions, with Category 1 (Purchased Goods and Services) and Category 2 (Capital Goods), Category 4 (Upstream transportation and distribution) and Category 9 (Downstream transportation and distribution) being the largest contributors.

Collecting supplier data increases our ability to manage our emissions to meet our future climate targets. To that effect, we developed our 3-phased Supplier Engagement Program that looks at Phase 1 (Evaluating tools and Processes for engaging with suppliers and reporting supplier data) Phase 2 (Active Supplier Engagement) Phase 3 (Value Chain emission reduction targets). Once our suppliers have submitted results to CDP we will assess their responses and if adequate we will use their emissions data to replace our spend based estimates. This will enable us to more accurately measure report and reduce our scope 3 emissions.

The transportation of our products was 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 were able to reduce greenhouse gas emissions, reduce packaging volumes, and drive lower costs. Although the pandemic made a substantial impact on our Green Logistic initiatives, limiting access to low carbon transport alternatives, we've kept the Air-to-Ocean project a priority where possible.

**Comment**

# C12.1b

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

### Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

### % of customers by number

1

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

1

### 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 gauge 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

### External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

### 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's purpose, to make life better, includes protecting and preserving the world we live in. Making medicines requires the use of valuable resources including energy, water and raw materials. We are working to reduce our environmental impact across the life cycles of our products and supply chain, including by establishing 2030 improvement goals for climate, waste and water. To track progress, Lilly measures and manages energy and water use, greenhouse gas (GHG) emissions and the generation of waste and wastewater throughout the manufacturing process.

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. Lilly is taking action to reduce GHG emissions within our operations and along our value chain. We have assessed our Scope 3 emissions and progressed in our journey to identify climate-related risks and opportunities in our business.

These position statements can be found on our public website (https://www.lilly.com/who-we-are/about-lilly/position-statements) and in our ESG Report (https://esg.lilly.com/environmental).

### Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

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.

## C12.3a

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

For example: EU Emissions Trading System (EU ETS)

**Category of policy, law, or regulation that may impact the climate**

Carbon pricing, taxes, and subsidies

**Focus area of policy, law, or regulation that may impact the climate**

Emissions trading schemes

**Policy, law, or regulation geographic coverage**

Regional

**Country/area/region the policy, law, or regulation applies to**

Europe

### Your organization's position on the policy, law, or regulation

Neutral

### Description of engagement with policy makers

Lilly takes position on all key EU level initiatives related to Climate Change through our involvement and engagement with policy makers. Lilly aims to ensure that all newly proposed legislative initiatives align with the European Commissions Green Goals including the EU's Emission Trading Scheme. We continue to engage across the EU institutions both directly, and in partnership with EU associations EFPIA. The annual Lilly ESG reports, coordination with our manufacturing facilities across Europe, and our engagement with EU policy makers and legislations, each help guide our engagement to ensure future EU green initiatives, guide both bilateral and European level engagement to ensure a risk based, agile and proportionate system, ensuring flexibility and the ongoing manufacture and supply of medicines for patients.

### Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

### Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

### Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

We recognize the role of EU ETS regulation in facilitating the climate transition. Our position is that the transition could be encouraged through the EU ETS legislation and emission reduction initiatives across our manufacturing sites in Europe.

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### Specify the policy, law, or regulation on which your organization is engaging with policy makers

Corporate Sustainability Reporting Directive (CSRD)

### Category of policy, law, or regulation that may impact the climate

Climate change mitigation

### Focus area of policy, law, or regulation that may impact the climate

Climate-related reporting
Climate-related targets
Climate transition plans
Emissions – CO2
Emissions – other GHGs
International agreement related to climate change mitigation
Low-carbon, non-renewable energy generation
Renewable energy generation
Traceability requirements
Transparency requirements
Verification and audits

**Policy, law, or regulation geographic coverage**

Regional

**Country/area/region the policy, law, or regulation applies to**

Europe

**Your organization's position on the policy, law, or regulation**

Neutral

**Description of engagement with policy makers**

Lilly takes position on all key EU level initiatives related to Climate Change through our involvement and engagement with policy makers. We are actively engaged in monitoring of the CSRD and CSDDD initiatives. Through EFPIA, we are working to input into the consultation on the sector specific CSRD reporting standards that form part of CSRD.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

**Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?**

We recognize the role of CSRD regulation in facilitating climate mitigation. The E.U.'s Corporate Sustainability Reporting Directive will impact many U.S. based companies, and will require consideration of geographic scope, materiality, and impacts across the value chain to prepare for globally consistent disclosure. We are working on the following initiatives:
- Define in-scope entities: Assess impact to E.U. subsidiaries to guide implementation requirements and go-forward roadmap.
- Perform double materiality assessment: Identify the most important climate change and wider ESG issues from a financial and impact perspective.
- Perform disclosure gap analysis on GHG disclosures and readiness against the nine other ESRS topics, including pollution, water & marine resources, biodiversity & ecosystems, resource use & circular economy, own workforce, workers in the value chain, affected communities, consumers and end-users, business conduct.

## C12.3b

**(C12.3b) Provide details of the trade associations your organization is a member of, or 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 policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

No, we did not attempt to influence their position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

An example of a trade associations our organization is a member of is the Indiana Industrial Energy Consumers, Inc. (INDIEC)

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 (currency as selected in C0.4)**

7,500

**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

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**Trade association**

Other, please specify

European Federation of Pharmaceutical Industries and Associations

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

Consistent

**Has your organization attempted to influence their position in the reporting year?**

No, we did not attempt to influence their position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

An example of a trade associations our organization is a member of is the European Federation of Pharmaceutical Industries and Associations (EFPIA).

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 (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

**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

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**Trade association**

American Chemistry Council

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

Consistent

**Has your organization attempted to influence their position in the reporting year?**

No, we did not attempt to influence their position

### Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

An example of a trade associations our organization is a member of is the American Chemistry Council.

Lilly has been a member of the American Chemistry Council for more than 25 years. We engage with ACC for advocacy on a number of issues including environmental, where relevant. ACC works with manufacturing organizations that have a significant portion of their businesses that make or sell chemical products in the United States.
Some of the benefits of being members of ACC include the value, benefits, and opportunities of membership provides a return on investment through:
- Powerful advocacy
- Enhanced performance and operating efficiencies
- New business opportunities
- Stronger stakeholder relations
- Economic and industry intelligence, research and benchmark

Chemistry is a crucial element in enabling the energy transition and combating climate change. To combat negative impacts on climate, we will need to work together to develop effective solutions that will reduce greenhouse gas (GHG) emissions. Chemistry innovates products and technologies that help enable climate solutions. Due to chemicals' extensive use in a wide range of products across nearly all industries, reducing emissions in our products and operations has beneficial downstream effects. At the same time, we recognize that chemical manufacturing is an energy-intensive industry. Meaningful emissions reduction will require a portfolio of technologies and approaches; there is no one-size-fits-all solution.

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

10,000

### 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

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**Trade association**

Other, please specify

EuropaBio

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

Consistent

**Has your organization attempted to influence their position in the reporting year?**

No, we did not attempt to influence their position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

An example of a trade associations our organization is a member of is EuropaBio.

Lilly takes a position on any key EU level initiatives relating to Climate Change through our involvement and membership with EuropaBio trade association. The annual Lilly ESG reports, coordination with our biomanufacturing facilities across Europe, and the green commitments of our trade associations, each help guide our engagement to ensure future EU green initiatives, guide both bilateral and European level engagement to ensure a risk based, agile and proportionate system, ensuring flexibility and the ongoing manufacture and supply of medicines for patients.

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

**Describe the aim of your organization's funding**

**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

## C12.3c

**(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.**

**Type of organization or individual**

Non-Governmental Organization (NGO) or charitable organization

**State the organization or individual to which you provided funding**

The Climate Group

**Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)**

5,000

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

We are members of the RE100 initiatives. Membership for this initiative supports and facilitates our Carbon Neutral by 2030 Goal.
RE100 is focused on collective lobbying to support the transition to renewable power. The group facilitates the transition to renewable power in multiple markets and influences and lobbies policy makers in markets to supports companies to transition to a fully renewable power contracts.

**Have you evaluated whether this funding 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 Link Below.JPG

### Page/Section reference

https://www.esg.lilly.com/environmental/climate

### Content elements

Governance
Strategy
Emissions figures
Emission targets
Other metrics

### Comment

Lilly's annual ESG Report is published as a web-based report and can be found at https://www.esg.lilly.com.  Specifically, the Climate section which includes disclosure of our Governance, Strategy, Goals/Targets and performance against targets, as well as other information, can be found at https://www.esg.lilly.com/environmental/climate.

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

Lilly_2022_Annual_Report.pdf

**Page/Section reference**

Page 29 - Manufacturing, quality, or supply chain difficulties, disruptions, or shortages could lead to product supply problems.
Page 32 & 33 - Regulatory compliance problems could be damaging to the company

**Content elements**

Governance
Strategy
Risks & opportunities
Other metrics

**Comment**

Annual 2022 10-K Report online - https://investor.lilly.com/static-files/2f9b7bb1-f955-448d-baa2-c4343d39ee62

## C12.5

**(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.**

| | Environmental collaborative framework, initiative and/or commitment | Describe your organization's role within each framework, initiative and/or commitment |
|---|---|---|
| Row 1 | RE100<br>UN Global Compact<br>Other, please specify<br>American Chemical Society (ACS) Pharmaceutical Roundtable, Pharmaceutical Supply Chain Initiative (PSCI) | > RE100 - In 2022, Lilly joined RE100, focusing our efforts to bring renewable electricity onto the grid, using a three-pronged approach.<br>• The first, and most effective effort, is implementing direct renewable electricity through on-site installation. We have established on-site solar arrays at our sites in France, Ireland, India and Spain. On-site solar contributed to approximately 2,200 MWh of electricity generation representing roughly 0.34% of our purchased electricity. In addition, we are in the construction phase of a new solar array at our site in Puerto Rico, an expansion of our solar array in Ireland, and evaluating several additional on-site renewable energy projects.<br>• Second, we are purchasing renewable energy from our utility providers across our sites in Spain, Ireland, Germany and Switzerland. We purchased roughly 63,700 MWh of renewable electricity, representing 9.6% of our purchased electricity.<br>• Third, we are purchasing Renewable Energy Certificates (RECs) in regions that are connected to the same grid as our operations. For 2022, we purchased 29,800 MWh of RECs through our utility provider in the U.S., representing 4.5% of our purchased electricity.<br><br>>TCFD - As a global biopharmaceutical company, we recognize our responsibility to reduce our carbon footprint and manage climate-related risks and opportunities to support the transition to a low carbon economy. Lilly supports the Paris Climate Agreement, discloses information according to recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and strives to implement these recommendations across the TCFD categories of Governance, Strategy, Risk Management and Metrics & Targets. For more information, please see our TCFD metrics at https://www.esg.lilly.com/transparency/tcfd-metrics.<br><br>>UN Global Compact - Eli Lilly and Company joined the United Nation's Global Compact in 2009, underscoring our commitment to the 10 principles underlying the UNGC. Lilly sets and measures increasingly aggressive goals related to these principles and our own Environmental, Social and Governance strategy. Through this communication, we are reaffirming our commitment to the 10 principles outlined by the UNGC. In the index below, organized by the UNGC's 10 |

| | | |
|---|---|---|
| | | principles, we describe our actions to continually improve how we integrate the UNGC principles into our business strategy, culture and daily operations. We also share this and additional information with other stakeholders through our ESG Report at esg.lilly.com .<br><br>> American Chemical Society (ACS) Pharmaceutical Roundtable – Lilly is ACS's Green Chemistry Roundtable Founding Member. The ACS's flagship Green Chemistry Institute convenes the global chemistry community to catalyze innovative thinking, facilitate critical conversations, and communicate the core values and benefits of green and sustainable chemistry and engineering. The ACS GCI Pharmaceutical Roundtable is the leading organization dedicated to catalyzing the integration of green chemistry and engineering in the pharmaceutical industry. Established in 2005 by the American Chemical Society's Green Chemistry Institute, the Roundtable's activities are driven by the shared belief that green chemistry and engineering is imperative for business and environmental sustainability. By exploring this site, you can learn how to bring more sustainable approaches into your lab and see if membership in the Roundtable could benefit your company.<br><br>>Pharmaceutical Supply Chain Initiative (PSCI) – Lilly is an Inaugural Member and leader of two subcommittees within the PSCI Group. The PSCI members group was formed as a project between the 6 founding members in 2006 and was legally established in the United States as a non-profit membership organization in 2013. PSCI's vision is for excellence in safety, environmental, and social outcomes for the whole of the global pharmaceutical and healthcare supply chain. The purpose is to bring together members to define, establish, and promote responsible supply chain practices, human rights, environmental sustainability, and responsible business.<br><br>Relevant references:<br>https://www.esg.lilly.com/transparency/sustainable-development-goals<br><br>https://ungc-production.s3.us-west-2.amazonaws.com/commitment_letters/3232/original/Global_Compact_Join_Letter_10284.pdf?1262613359 |

# 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 |
|---|---|---|
| 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.<br><br>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.<br><br>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. |

## 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<br>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<br>Control of API discharges and Water Stress Management Plan |

# C15.3

## (C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

### Impacts on biodiversity

#### Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

### Dependencies on biodiversity

#### Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

# C15.4

## (C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Not assessed

# C15.5

**(C15.5) 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 protection<br>Land/water management<br>Education & awareness |

# C15.6

**(C15.6) 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 |

# C15.7

**(C15.7) 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 | Biodiversity strategy | https://www.esg.lilly.com/environmental/biodiversity |
| In voluntary sustainability report or other voluntary communications | Biodiversity strategy | https://www.esg.lilly.com/environmental/biodiversity - Please refer to the web link of our ESG report provided and refer to the Biodiversity section for our strategy and approach. |

# 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.**

N/A

## 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 | Executive Vice President and President of Manufacturing (C-Suite Officer that reports directly to the CEO) | Other C-Suite Officer |

# SC. Supply chain module

## SC0.0

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

N/A

## 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).**

N/A

## 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 |
|---|---|

## 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