



GENDER PAY GAP REPORT 2022

Lilly

We are proud of our diverse global mindset and our ability to provide opportunities for our employees to grow, develop and contribute; to attract and develop talent, build future leaders and improve diversity and inclusion across the company.

We have welcomed the UK Government’s efforts to improve transparency in gender equality and pay in the workplace. Understanding what drives our gender pay gap is just one step on our journey to continually improve the diversity of our global team. In the words of our Chairman and CEO, Dave Ricks...

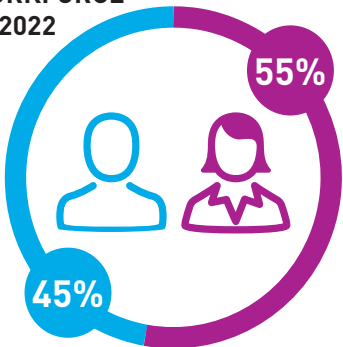
“By valuing diversity and inclusion and investing in professional growth for everyone, we can increase our productivity and achieve growth of the company. **Diversity and inclusion are business imperatives at Lilly.**” - Dave Ricks, Chairman and CEO

UK GENDER PAY GAP REQUIREMENT

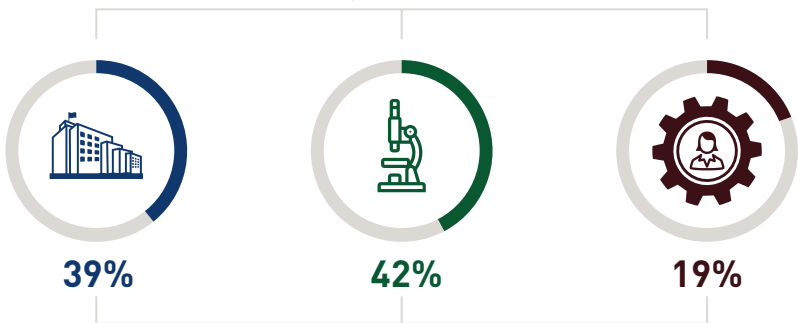
The gender pay gap shows the difference between the average (mean or median) earnings of men and women across all roles and is expressed as a percentage of men’s earnings. All UK companies with 250 or more employees are required to report their gender pay gap annually.

It is important to remember that “gender pay” is not the same as “equal pay”, which is the right of men and women to be paid at a similar rate for work of equivalent value and has been law in the UK since 1970.

% OF UK WORKFORCE IN 2022

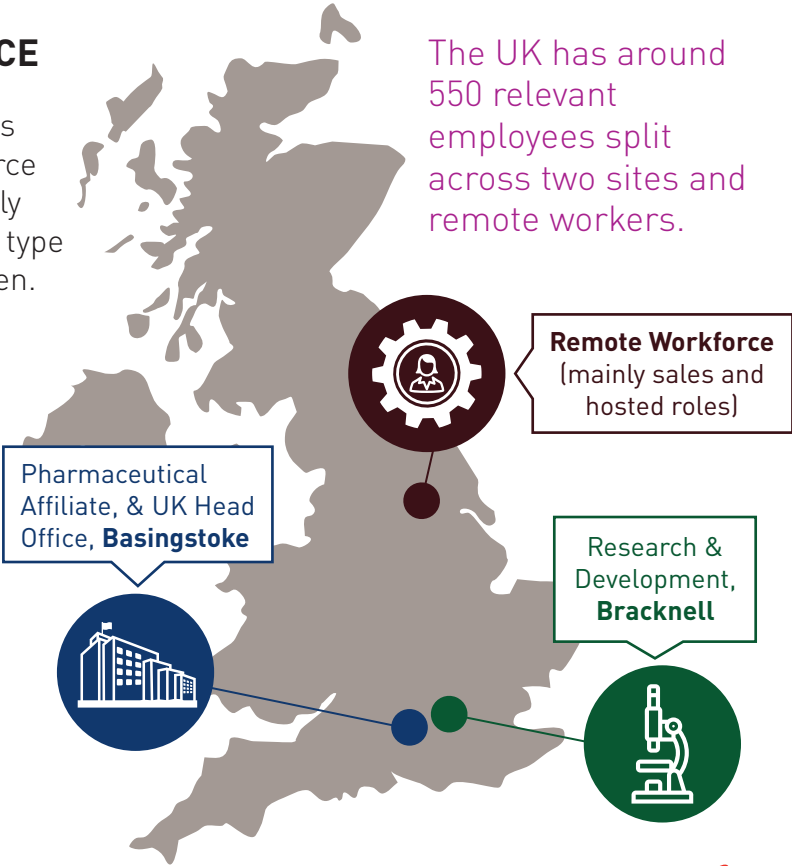


% FEMALE



UK WORKFORCE

The demographics of our UK workforce vary by site, largely depending on the type of work undertaken.



The UK Gender Pay Gap legislation requires companies to disclose six metrics and has outlined how these should be reported. The data is calculated across all jobs and levels within the organisation as of 5 April, 2022.



OUR GENDER PAY GAP

Mean & Median Pay Gap

The difference in hourly rates of male and female full-pay employees

Quartile Pay Bands

The proportion of male and female full-pay employees by quartile

Mean & Median Bonus Gap

The difference in average bonus paid to male and female employees

Bonus Proportions

The proportion of male and female employees who received a bonus

Mean Pay Gap **11.2%**

Median Pay Gap **10.7%**

Mean Bonus Gap **8.2%**

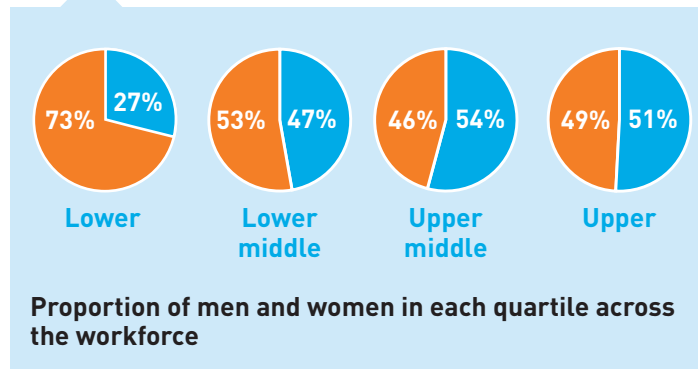
Median Bonus Gap **12.9%**



Our mean pay gap is **11.2%** with a median pay gap of **10.7%**. On average this means that across Lilly in the UK, women are paid **11.2%** less than men, and at the median **10.7%** less than men. The mean is a decrease of **0.4%** over prior year. The Office for National Statistics quotes the average mean UK pay gap as **14.9%** when all workers are included.

While our pay gap remains lower than the UK average, we recognise that we still have further improvements to make.

Women represent **55%** of Lilly's UK employees and **53%** of director comparable level or above which is a **3%** increase over the prior year. Women also represent **47%** of the upper two quartiles.



Proportion of men and women receiving a bonus payment

We have seen a **4%** increase in women in the upper two quartiles and an **11%** increase in women in the upper quartile since gender pay reporting started in 2017. This reflects initiatives to increase the female representation in senior leadership roles. Our mean gender bonus gap is **8.2%** and **12.9%** at the median (a mean decrease of **5%** from prior year).

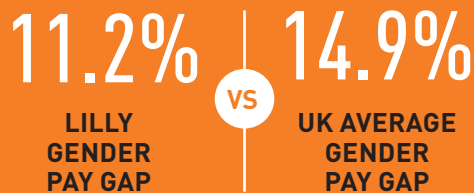
- Our bonus gap is consistent with the numbers of men and women in our pay quartiles. In more senior roles there is greater eligibility for bonus and long term incentive awards. Lilly remains focused on increasing employee share ownership at all levels.
- The data excludes expatriates although we currently have 3 women in senior UK based roles including the Affiliate General Manager
- The data includes forty five part-time workers, who are treated the same as full-time workers in the analysis but whose bonus payments are made on a pro-rata basis. Women account for **98%** of part-time workers.

We know that higher numbers of men in senior roles and the number of part-time women impacts the overall bonus gap.

91.5% of women receive a bonus compared to **97.6%** of men. This is due to a higher percentage of women in non-bonus eligible roles.

WHAT ACTIONS ARE WE TAKING?

Lilly's UK business has a smaller gender pay gap than the UK average (11.2% versus 14.9%) and we are proud of the work we are doing to build a diverse and inclusive workforce both globally and here in the UK.



“Here, Opportunity is open to all”

Mr Eli Lilly

POLICIES AND PRACTICES

An important focus of Lilly's People Strategy is to ensure pay is administered in a fair and equitable way across the workforce. Employees are paid based upon factors such as the content and level of the job, prior work experience, years of service, time in role, education and performance. Our global job structure and grade ranges help us maintain equitable pay across our workforce. The UK was included in Lilly's global pay equity analysis initiative twice in the last six years. The overall findings were favourable resulting in very few adjustments.

Our UK policies support a wide range of opportunities including part-time working, home working, career breaks as well as family leave events. Flexible working arrangements ensure we attract and retain top talent and achieve work-life balance for our employees. Following the global pandemic, Lilly has rolled out flexible working practices for its employees globally.

Our suite of employee well-being programmes cover a range of support to encompass our Diversity, Equity & Inclusion agenda, including Mental Health First Aiders and the launch of carer and Menopause guidelines in 2022.

SUPPORTING FEMALE LEADERS

We are proud that both of our sites are led by women and that within both our Commercial and Research organisations we have Business Units led by women. We have been focused on increasing the number of women at senior levels and in research roles.

A strategic priority globally at Lilly is to measure ourselves against clear goals to increase representation of women in senior positions within the organisation. We have an active Women in Lilly Discovery and Development (WiLDD) forum for networking, shared learning and mentoring to facilitate the development of female scientists to progress their careers. We initiated a new Talent Accelerator programme to develop earlier, emerging female talent in 2022 as we seek to build our talent pipeline.

DIVERSITY, EQUITY AND INCLUSION (DEI) AND UK EMPLOYEE RESOURCE GROUPS (ERGS)

Diversity, equity and inclusion is the bedrock of our workplace culture. From recruiting and hiring, to talent management processes and supervisor coaching, we see direct benefits when our workforce represents the customers we serve. A strong emphasis has been placed on inclusive leadership, conscious inclusion education and psychological safety to assist employees to be the best they can be and to celebrate diverse views and ideas.

We're proud that our work has been recognised by the Employers Network for Equality and Inclusion, who awarded Lilly a Silver Standard TIDE (Talent, Inclusion, Diversity Evaluation) Award for DEI excellence, to mark achievements in promoting and progressing workplace diversity, equality, inclusion and belonging.

We make sure that people who are passionate about DEI are given the space and support to drive allyship and understanding. Our Diversity Champions from across the UK bring together

colleagues from many different parts of the business with a passion for diversity and inclusion. Our Gender Inclusion Network (GIN) works to remove obstacles that prevent women and men at Lilly from achieving their full potential, and our LGBTAllies work to promote the equal experience, treatment and safety for Lesbian, Gay, Bi and Trans people everywhere Lilly operates; and Lilly is a global Stonewall Champion.

Beyond gender equity, we have a strong focus on supporting minorities. Our EmBRACE ERG aims to leverage the diverse experiences and talents of people of colour at every level of our organisation. Through EmBRACE, we were excited to co-lead a recruitment Hackathon on reducing Health Inequalities to attract strong and diverse talent to our student programme and support social mobility by reaching beyond traditional recruitment routes.

We partner with the Business Disability Forum to assess and improve our facilities, processes and working practices. We are also members of the UK Government's Disability Confident Scheme as a committed employer. The scheme works with employers to ensure disabled people and those with long term health conditions have the opportunity to fulfil their potential and career aspirations. This is supported by the EnABLE ERG.

Our Diversity Champions Network is comprised of UK colleagues across both sites and business areas with a passion for diversity and inclusion.

“Delivering on our purpose to help make life better for people around the world means hiring and developing the best possible team. Diversity and inclusion are a critical part of that strategy at Lilly. I'm committed to creating an inclusive environment that celebrates the ideas and impact of women and am passionate about fuelling their success and future careers.”

Laura Steele,
President & General Manager
Northern European Hub



Laura Steele
President &
General Manager
Northern European
Hub



Karen Alexander
VP, HR
Northern European
Hub