

A black and white photograph of a diverse group of people in a meeting. In the foreground, a woman with curly hair is smiling and looking towards the left. Behind her, a man with short hair is looking in the same direction. To the right, another woman is looking forward, and a man is partially visible. The bottom half of the image is covered by a solid red overlay.

SUPPLIER DIVERSITY

Tier 2 Program Overview

Lilly



Supplier Diversity

Supplier Diversity



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Supplier Diversity is a business program at Lilly focused on ensuring the inclusion of small/diverse suppliers in our supply chain.

Businesses included in our program

- Minority Business Enterprises
- Women Business Enterprises
- Veteran Business Enterprises
- LGBTQ+ Owned Businesses
- Disability-Owned Businesses
- Businesses in Historically Underutilized Business Zone
- Small Businesses

Our Purpose

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Engage

- Partnering with Advocacy Organizations
- Connecting with Small/Diverse Suppliers
- Sharing Best Practices with Industry Groups



Empower

- Actively Including Small/Diverse Suppliers
- Developing Suppliers through Mentorship
- Leading Advocacy Organization Efforts



Impact

- Integrating Small/Diverse Businesses in the Supply Chain
- Expanding Small/Diverse Business' Economic Potential
- Achieving Results

Small/Diverse Categories*

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Government Requirements

(VA & SBA)

Small Business Enterprise

SBE

Small Disadvantaged Business

SDB

Women-Owned Small Business

WOSB

Veteran-Owned Small Business

VOSB

Service-Disabled Veteran-Owned Small Business

SD-VOSB

Historically Underutilized Business Zone

HUBZone

Lilly Corporate Goals

Minority Business Enterprise

MBE

Women Business Enterprise

WBE

Veteran Business Enterprise

VBE

Lesbian, Gay, Bisexual, Transgender or Queer-Owned Business

LGBTQ+

Disability-Owned Business Enterprise

DOBE

Focused effort to support Racial Justice Commitment

* A supplier can qualify for multiple business categories



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Certification Requirements

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Service-Disabled Veteran-Owned Small Business

SD-VOSB

Historically Underutilized Business Zone

HUBZone

Certifications Accepted

Small Business Administration (SBA) Small Business Size Standards; Self-Certification

SBA 8(a) Certification; Self-Certification

SBA; Women Business Enterprise National Council (WBENC); Self-Certification

SBA; NVBDC Certification; VA Registration with Self-Certification

SBA; NVBDC Certification; Disability:IN Certification; VA Registration with Self-Certification

SBA HUBZone Certification



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Certification Requirements

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Lilly Corporate Goals

Minority Business Enterprise

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Lesbian, Gay, Bisexual, Transgender or Queer-Owned Business

LGBTQ+

Disability-Owned Business Enterprise

DOBE

Certifications Accepted

National Minority Supplier Development Council (NMSDC) Affiliates or Equivalent 3rd Party Certifying Organization

Women Business Enterprise National Council (WBENC) Affiliates or Equivalent 3rd Party Certifying Organization

National Veteran Business Development Council (NVBDC)

National LGBT Chamber of Commerce (NGLCC)

Disability:IN; NVBDC

Tier 2 Program

Supplier Diversity



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Definition

- **Tier 1 suppliers**
Contract directly with Lilly
- **Tier 2 suppliers**
Contract through a Tier 1 supplier to Lilly

Drivers

- Lilly is a prime contractor to U.S. government
- Flow-Down obligation

A prime contractor's subcontractor is referred to as the first-tier subcontractor. The OTSB prime contractor must flow-down the Subcontracting Plan requirements to all subcontractors (except small businesses) who receive a single order or subcontract in excess of \$650,000 for goods and services, or \$1.5 million for construction of a public facility.

Why Partner with Lilly on Tier 2?

Supplier Diversity



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- We cannot do it alone
 - We need the unique opportunities that YOUR company can provide to qualified small/diverse businesses
- Left un-addressed, these challenges will diminish competitive access to opportunities for qualified small/diverse businesses
- We view YOU as our partner willing to share the responsibility to ensure growth in the marketplace
- Your partnership will strengthen our supply chain management process and increase both our competitive advantages



Reporting Methods



- **Direct**

Report the spend and names of small and diverse suppliers that a Tier 1 supplier subcontracts with on Lilly business

- **Indirect**

Determine what percent the Lilly sales revenue is to a Tier 1 supplier's overall sales, and then multiply that percentage by the supplier's diversity spend amount for each small and diverse category. To be used when there is no subcontracting opportunity for Lilly projects



Direct Method (sample screen)

Supplier Diversity



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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total YTD
Total Black Business Enterprises	\$ <input type="text"/>				\$0.00
Total Other Minority Business Enterprises	\$ <input type="text"/>				\$0.00
Total Minority Business Enterprises	\$ <input type="text"/>				\$0.00
Total Woman Business Enterprises	\$ <input type="text"/>				\$0.00
Total Gay Lesbian Bi-sexual Transgender Queer	\$ <input type="text"/>				\$0.00
Total Disability Owned Business	\$ <input type="text"/>				\$0.00
Total Small Business	\$ <input type="text"/>				\$0.00
Total Small Disadvantaged Business	\$ <input type="text"/>				\$0.00
Total Woman-Owned Small Business	\$ <input type="text"/>				\$0.00
Total Veteran-Owned Small Business	\$ <input type="text"/>				\$0.00
Total Service Disabled Veteran-Owned Small Business	\$ <input type="text"/>				\$0.00
Total Historically Under Utilized Business Zones	\$ <input type="text"/>				\$0.00
TOTAL SPEND (individual quarter)	\$0.00	\$0.00	\$0.00	\$0.00	
Total YTD Spend (cumulative qtr spend)	\$0.00	\$0.00	\$0.00	\$0.00	

Top 5 Suppliers for the Current Quarter

Black Business Enterprises

1 2 3 4 5

Other Minority Business Enterprises

1 2 3 4 5

Minority Business Enterprises

1 2 3 4 5

Woman Business Enterprises

1 2 3 4 5

Gay Lesbian Bi-sexual Transgender Queer

1 2 3 4 5

Disability Owned Business

1 2 3 4 5

Small Business

1 2 3 4 5

Small Disadvantaged Business

1 2 3 4 5

Woman-Owned Small Business

1 2 3 4 5

Veteran-Owned Small Business

1 2 3 4 5

Service Disabled Veteran-Owned Small Business

1 2 3 4 5

Historically Under Utilized Business Zones

1 2 3 4 5

Indirect Method (sample screen)

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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total YTD
Your Company's Total Sales Revenue	\$ <input type="text"/>				\$0.00
Sales Revenue from Lilly Business	\$ <input type="text"/>				\$0.00
Revenue from Lilly Business as a Percentage of your company's Total revenue	0.00%	\$0.00	\$0.00	\$0.00	0.00%

Amount Spent with Diverse Suppliers by Your Company by Category

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total YTD
Black Business Enterprises	\$ <input type="text"/>				\$0.00
Other Minority Business Enterprises	\$ <input type="text"/>				\$0.00
Minority Business Enterprises	\$ <input type="text"/>				\$0.00
Woman Business Enterprises	\$ <input type="text"/>				\$0.00
Gay Lesbian Bi-sexual Transgender Queer	\$ <input type="text"/>				\$0.00
Disability Owned Business	\$ <input type="text"/>				\$0.00
Small Business	\$ <input type="text"/>				\$0.00
Small Disadvantaged Business	\$ <input type="text"/>				\$0.00
Woman-Owned Small Business	\$ <input type="text"/>				\$0.00
Veteran-Owned Small Business	\$ <input type="text"/>				\$0.00
Service Disabled Veteran-Owned Small Business	\$ <input type="text"/>				\$0.00
Historically Under Utilized Business Zones	\$ <input type="text"/>				\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Indirect Spend Attributable to Lilly Business by Category

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total YTD
Black Business Enterprises	\$0.00				\$0.00
Other Minority Business Enterprises	\$0.00				\$0.00
Minority Business Enterprises	\$0.00				\$0.00
Woman Business Enterprises	\$0.00				\$0.00
Gay Lesbian Bi-sexual Transgender Queer	\$0.00				\$0.00
Disability Owned Business	\$0.00				\$0.00
Small Business	\$0.00				\$0.00
Small Disadvantaged Business	\$0.00				\$0.00
Woman-Owned Small Business	\$0.00				\$0.00
Veteran-Owned Small Business	\$0.00				\$0.00
Service Disabled Veteran-Owned Small Business	\$0.00				\$0.00
Historically Under Utilized Business Zones	\$0.00				\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Reporting Process



- The Lilly data portal is managed by **Hibbert**
- E-mail notification will come from Hibbert
 - Sender email: Lillytier2spend@hibbertgroup.com
- One (1) Email contact for your company
 - One per Tier 1 supplier
 - **Individual responsible for data submission**
 - He/she will receive ALL data reporting communication

Reporting Timeline

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Data reported on a QUARTERLY basis

Responsible Parties	Task	Timing
Hibbert	Send the initial email to all suppliers re: quarterly submission with a due date of the 25 th of the month	1 st day after quarter-stop
Hibbert	Open the portal for data submission	1 st day after quarter-top
Suppliers	Start the data submission	After the portal opens, until the 29 th
Hibbert	Email a past due notification to suppliers, inform them of the portal closure on the 30 th , CC: Lilly sourcing associates	26 days after quarter-stop
Past-Due Suppliers	Continue with data submission	Through the 29 th
Hibbert	Close the portal	30 th day after quarter-stop
Hibbert	Compile data and submit final report to Lilly	32 nd day after quarter-stop



Questions?

Lilly