



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 8, 2022

Sarkis Jebejian
Kirkland & Ellis LLP

Re: Eli Lilly and Company (the "Company")
Incoming letter dated December 23, 2021

Dear Mr. Jebejian:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by CommonSpirit Health et al. for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the board commission and publish a third-party review within the next year of whether the Company's lobbying activities (direct and through trade associations) align with its public policy position and public statements, particularly supporting "making medicines more accessible and affordable to patients" and "fairness and transparency in the biopharma industry," and how the Company addresses the risks presented by any misaligned lobbying and its plans, if any, to mitigate these risks.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's public disclosures do not substantially implement the Proposal.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(11). In our view, the Proposal does not substantially duplicate the proposal submitted by Trinity Health et al.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Laura Krausa
CommonSpirit Health

KIRKLAND & ELLIS LLP

AND AFFILIATED PARTNERSHIPS

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December 23, 2021

VIA EMAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Email: shareholderproposals@sec.gov

Re: Shareholder Proposal of CommonSpirit Health and co-filers

Ladies and Gentlemen:

We submit this letter on behalf of Eli Lilly and Company (“*Lilly*” or the “*Company*”) to notify the Securities and Exchange Commission (the “*Commission*”) that the Company intends to omit from its proxy statement and form of proxy for its 2022 Annual Meeting of Shareholders (the “*2022 Annual Meeting*” and such materials, the “*2022 Proxy Materials*”) a shareholder proposal and supporting statement (the “*Proposal*”) submitted by CommonSpirit Health (the “*Proponent*”). We also request confirmation that the staff of the Division of Corporation Finance (the “*Staff*”) will not recommend enforcement action to the Commission if the Company omits the Proposal from the 2022 Proxy Materials for the reasons discussed below.

The Company currently anticipates filing a preliminary proxy statement with the Commission on or around February 25, 2022 due to the inclusion in the 2022 Proxy Materials of proposals to amend the Company’s Amended Articles of Incorporation and expects to file its definitive 2022 Proxy Materials on or around March 18, 2022. Accordingly, in compliance with Rule 14a-8(j) of the Securities Exchange Act of 1934, as amended, we have filed this letter with the Commission no later than 80 calendar days before the Company intends to file its definitive 2022 Proxy Materials with the Commission. In light of the Company’s timeline for filing a preliminary proxy statement, the Company requests that the Staff respond to this letter prior to February 25, 2022 if practicable.

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008), we are emailing this letter to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company’s intent to omit the Proposal from the 2022 Proxy Materials. Likewise, we

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
December 23, 2021
Page 2

take this opportunity to inform the Proponent that if the Proponent elects to submit any correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be provided concurrently to the undersigned on behalf of the Company.

THE PROPOSAL

The Proposal sets forth the following resolution to be voted on by shareholders at the 2022 Annual Meeting:

Resolved: Shareholders request that the Board of Directors commission and publish a third party review within the next year (at reasonable cost, omitting proprietary information) of whether Eli Lilly and Company's ("Lilly's") lobbying activities (direct and through trade associations) align with Lilly's public policy position and public statements, particularly supporting "making medicines more accessible and affordable to patients" and "fairness and transparency in the biopharma industry." The report should discuss how Lilly addresses the risks presented by any misaligned lobbying and its plans, if any, to mitigate these risks.¹

BASIS FOR EXCLUSION

The Company hereby respectfully requests that the Staff concur in its view that the Company may exclude the Proposal from the 2022 Proxy Materials pursuant to:

- Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal; and
- Rule 14a-8(i)(11) because the Proposal substantially duplicates the Prior Proposal (as defined below), and if the Staff does not concur with the exclusion of the Prior Proposal pursuant to a separate no-action request, the Company expects to include the Prior Proposal in the 2022 Proxy Materials.

¹ Proposal (citation omitted). The Proposal in full is attached hereto as Exhibit A.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
December 23, 2021
Page 3

ANALYSIS

1. The Proposal May be Excluded Under Rule 14a-8(i)(10) Because the Company Has Substantially Implemented the Proposal.

A. Background

In November 2021, the Company updated its political participation website (the “*Political Participation Website*”)² to disclose substantial information with respect to the direct and indirect political activities of the Company and the Company’s employee-led political action committee (the “*LillyPAC*”), including without limitation, information regarding:

- board oversight of the Company’s political expenditures and lobbying activities;
- the Company’s political contributions to candidates for public office (directly from the Company and through the LillyPAC);
- recipients of the Company’s political contributions;
- the Company’s federal and state lobbying activities; and
- the Company’s trade association memberships (including those trade associations where the Company has a board seat).

The Company also disclosed information concerning board and board committee oversight over the Company’s political activities in the Company’s proxy statement for the 2021 annual meeting of shareholders (the “*2021 Proxy Materials*”).³

Beyond the extensive disclosures in the Political Participation Website and the 2021 Proxy Materials described above, additional information regarding the Company’s political activities is available from numerous other public sources. The Company’s direct lobbying expenses are also available to the public on the Lobbying Disclosure page of the U.S. House website⁴ and through individual state agencies. Additionally, the trade associations through which the Company conducts its indirect lobbying activities are also required to disclose their lobbying expenditures to the United States Senate under the Lobbying Act of 1995, and additional details regarding the Company’s corporate contributions, LillyPAC’s contribution data, and the Company’s direct

² Available at <https://www.lilly.com/policies-reports/public-policy-political-participation>, and attached hereto as Exhibit B.

³ Available at <https://www.sec.gov/Archives/edgar/data/0000059478/000005947821000104/llydef14a2021.htm>, pages 8, 31-35, and 79-80.

⁴ Available at disclosures.house.gov/ld/ldsearch.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
December 23, 2021
Page 4

lobbying expenses are available to the public on the Federal Election Committee website⁵ and through individual state agencies.

B. Rule 14a-8(i)(10) Background

Rule 14a-8(i)(10) allows a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. The purpose of Rule 14a-8(i)(10) is “to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by management.” SEC Release No. 34-12598 (Jul. 7, 1976). Importantly, Rule 14a-8(i)(10) does not require a company to implement every detail of a proposal in order for the proposal to be excluded. The Staff has maintained this interpretation of Rule 14a-8(i)(10) since 1983, when the Commission reversed its prior position of permitting exclusion of a proposal only where a company’s implementation efforts had “fully” effectuated the proposal. SEC Release No. 34-20091 (Aug. 16, 1983). The 1998 amendments to Rule 14a-8 codified this position. *See Exchange Act Release No. 40018* (May 21, 1998) (the “1998 Release”), at n.30 and accompanying text. Based on this revised approach, the Staff has consistently taken the position that a proposal has been “substantially implemented” and may be excluded as moot when a company can demonstrate that it has already taken actions to address the “essential elements” of the proposal, and a company’s policies, practices and procedures “compare favorably with the guidelines of the proposal”. *See General Motors Corp.* (Mar. 4, 1996) (permitting exclusion of a proposal where the company argued, “[i]f the mootness requirement of paragraph (c)(10) were applied too strictly, the intention of [the rule]—permitting exclusion of ‘substantially implemented’ proposals—could be evaded merely by including some element in the proposal that differs from the registrant’s policy or practice.”). For example, in *PG&E Corp.* (Mar. 10, 2010), the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company provide a report disclosing, among other things, the company’s standards for choosing the organizations to which the company makes charitable contributions and the “business rationale and purpose for each of the charitable contributions.” In arguing that the proposal had been substantially implemented, the company referred to a website where the company had described its policies and guidelines for determining the types of grants that it makes and the types of requests that the company typically does not fund. Although the proposal appeared to contemplate disclosure of each and every charitable contribution, the Staff concluded that the company had substantially implemented the proposal. *See also, e.g., The Wendy’s Co.* (Apr. 10, 2019) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report assessing human rights risks of the company’s operations, including the principles and methodology used to make the assessment, the frequency of assessment and how the company would use the assessment’s results, where the company had a code of ethics and a code of conduct for suppliers and disclosed on its website the frequency and methodology of its human rights risk assessments); *MGM Resorts Int’l* (Feb. 28, 2012) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a

⁵ Available at fec.gov/data/.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission

December 23, 2021

Page 5

report on the company's sustainability policies and performance, including multiple objective statistical indicators, where the company published an annual sustainability report); and *The Boeing Co.* (Feb. 17, 2011) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company review its policies related to human rights and report its findings, where the company had already adopted human rights policies and provided an annual report on corporate citizenship).

The Staff has noted that “a determination that a company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (Mar. 28, 1991). Even if a company's actions do not go as far as those requested by the stockholder proposal, they nonetheless may be deemed to “compare favorably” with the requested actions. *See also, Advance Auto Parts, Inc.* (Apr. 9, 2019) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company issue a sustainability report “in consideration of the SASB Multiline and Specialty Retailers & Distributors standard,” on the basis that the company's “public disclosures compare favorably with the guidelines of the Proposal and that the Company has, therefore, substantially implemented the Proposal,” where the company argued that a combination of its existing disclosures sufficiently addressed the core purpose of the proposal, acknowledging that the disclosures deviated in certain respects from the SASB standard); *Applied Materials, Inc.* (Jan. 17, 2018) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company “improve the method to disclose the Company's executive compensation information with their actual compensation,” on the basis that the company's “public disclosures compare favorably with the guidelines of the Proposal and that the Company has, therefore, substantially implemented the Proposal,” where the company argued that its current disclosures follow requirements under applicable securities laws for disclosing executive compensation); *Kewaunee Scientific Corporation* (May 31, 2017) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that nonemployee directors no longer be eligible to participate in the company's health and life insurance programs, on the basis that the company's “policies, practices and procedures compare favorably with the guidelines of the proposal and that Kewaunee...substantially implemented the proposal,” where the board had adopted a policy prohibiting nonemployee directors from participating in the company's health and life insurance programs after December 31, 2017, an effective date that was later than the effective date the proponent may have envisioned); *Exxon Mobil Corp.* (Mar. 23, 2009) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report regarding political contributions where the company's pre-existing political contribution policies and procedures compared favorably to the proposal at issue, despite the disclosures not being as fulsome as the proponent had contemplated, and the analysis not rising to the level of detail that the proponent desired); *Walgreen Co.* (Sept. 26, 2013) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting elimination of supermajority voting requirements in the company's governing documents where the company had eliminated all but one of the supermajority voting requirements.); and *Johnson & Johnson* (Feb. 17, 2006)

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
December 23, 2021
Page 6

(permitting exclusion under Rule 14a-8(i)(10) of a proposal that requested the company to confirm the legitimacy of *all* current and future U.S. employees because the company had verified the legitimacy of 91% of its domestic workforce).

The Staff applied this standard to a proposal similar to the Proposal in *Exelon Corporation* (Feb. 26, 2010), where the proposal requested a semi-annual report that sought disclosure of the company's policies and procedures for political contributions, both direct and indirect, as well as a list of "[m]onetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code." The company argued that it had adopted Corporate Political Contributions Guidelines and began issuing a report disclosing the company's political contributions, which substantially implemented the proposal by "giving the Company's Shareholders an up-to-date view of the Company's policies and procedures with regard to political contributions and...with up-to-date information about the Company's political contributions." The Staff concurred that Exelon's shareholders did not need to "reconsider the issue" because it "already acted favorably on an issue addressed in a shareholder proposal" in exclusion of the proposal under Rule 14a-8(i)(10).

C. The Company Has Substantially Implemented the Proposal

The Company has substantially implemented the essential elements of the Proposal, which call for the Company's board of directors (the "*Board*") to publish a report to shareholders disclosing whether the Company's lobbying activities align with its public policy positions and statements, particularly regarding Lilly's goals of promoting access and affordability of medicines and fairness and transparency in the biopharmaceutical industry.

As detailed in the table below, the Company has already addressed the essential elements of the Proposal by providing shareholders the opportunity to directly assess the alignment between the Company's lobbying activities and its public policy positions and statements through existing disclosures in the Company's Political Participation Website, proxy materials, and environmental, social and governance website (the "*ESG Website*"),⁶ and through other publicly available disclosures regarding its political activities. Section 1 of the table sets forth illustrative examples of Lilly's already-existing public disclosures of its lobbying activities (direct and through trade associations); Section 2 sets forth illustrative examples of Lilly's already-existing public disclosures of its (x) public policy positions and statements with respect to accessibility and affordability and fairness and transparency and (y) lobbying activities and other actions focused on promoting access and affordability and fairness and transparency; and Section 3 sets forth illustrative examples of Lilly's already-existing public disclosures of its oversight and plans to mitigate the alleged risks presented by any misaligned lobbying. These disclosures collectively

⁶ Available at <https://esg.lilly.com/governance>, and attached hereto as Exhibit C.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 7

enable shareholders to assess whether the Company’s lobbying activities align with its public policy positions and statements, and the risks presented by any misalignment. In addition, by directing Lilly’s public policy engagement toward offering “Lilly’s perspective on the political environment *in a manner that supports access to innovative medicines,*” (emphasis added)⁷ and advocating for “improvements to the U.S. healthcare system that align to [Lilly’s] core principles of: . . . *fairness and transparency in the biopharma industry* and all of health care,” (emphasis added)⁸ the Company already aligns Lilly’s lobbying activities with its expressed goals, thereby comparing favorably with the requests in the Proposal. Therefore, consistent with the line of precedent cited above, the Company has substantially implemented the Proposal and, accordingly, the Proposal should be excluded from the 2022 Proxy Materials pursuant to Rule 14a-8(i)(10).

For the convenience of the Staff, the following table illustrates the Company’s substantial implementation of each request in the Proposal.

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
<p>Section 1: Lilly’s Lobbying Activities (Direct and Through Trade Associations)</p> <p>“Publish a third party review within the next year...of whether Lilly’s lobbying activities (direct and through trade associations) align with Lilly’s public policy position and public statements, particularly supporting ‘making medicines more accessible and affordable to patients’ and ‘fairness and transparency in the biopharma industry.’”</p>	<p>Lilly already publicly discloses its lobbying activities, both direct and through trade associations, providing shareholders the opportunity to directly assess the alignment between the Company’s lobbying activities and its public policy positions and statements.</p> <p><u>Direct Lobbying</u></p> <p><u>Political Participation Website:</u></p> <p><i>Federal and State Lobbying Activities</i></p> <ul style="list-style-type: none"> • “Lilly conducts direct lobbying efforts at the federal, state, and local levels to educate policymakers on the specific implications that various legislation may have on the company, our community, and patients. Lilly’s Vice President, U.S. Government Affairs is responsible for the company’s lobbying activities.”

⁷ Political Participation Website (Exhibit B).

⁸ Available at <https://www.lilly.com/policies-reports/public-policy> (the “Public Policy Website”) and attached hereto as Exhibit D.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 8

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<ul style="list-style-type: none"> • “When engaging in lobbying activities, we comply with the laws that govern such activities. Lilly employees must also comply with our global policies, core values and legal obligations, which are outlined in our written Code of Business Conduct, The Red Book.”⁹ • “In 2020, Lilly spent \$5,420,000 on U.S. federal lobbying activities, which includes, but is not limited to, compensation and benefits for staff members, payment of external consultants, policy research funding and travel expenses.” <p><i>Recipients of Company’s Political Contributions</i></p> <ul style="list-style-type: none"> • “Where permitted, Lilly may make lawful political contributions in the United States to political candidate committees, political parties, political action committees, ballot measure committees, associations and other political organizations operating under section 527 of the Internal Revenue Code. Lilly will only fund other non-candidate expenditures by exception (e.g., certain ballot initiatives) and those contributions are disclosed in our annual Report of Political Financial Support.”¹⁰ <p><i>Corporate Political Contributions</i></p> <ul style="list-style-type: none"> • “Lilly voluntarily discloses its corporate political contributions on an annual basis. In 2020, Lilly provided corporate contributions to state candidates and

⁹ Available at https://assets.ctfassets.net/1o78rkh13da6/5zuwIQDPRsZ776L3SrFoXQ/0e9392b77d5b2717b56f010ad8284e94/The_Red_Book_2021_Lilly_Code_of_Business_Conduct_English.pdf.

¹⁰ Available at https://assets.ctfassets.net/srys4ukjcerm/5pYx4mInzsVPq5ro8ZjhqO/09f5a7dbeded02ca3d9aa6910e716f77/2020_Lilly_Report_of_Political_Financial_Support.pdf, and attached hereto as Exhibit E.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission

December 23, 2021

Page 9

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<p>committees totaling \$241,000. For more information, please see our 2020 Report of Political Financial Support.” (emphasis added)</p> <p><i>LillyPAC</i></p> <ul style="list-style-type: none">• “LillyPAC voluntarily discloses its contributions on an annual basis. In 2020, LillyPAC contributions to local, state and federal candidates totaled \$727,800. For more information, please see our 2020 Report of Political Financial Support.” (emphasis added) <p><u>Indirect Lobbying</u></p> <p><u>Political Participation Website:</u></p> <p><i>Trade Association Memberships</i></p> <ul style="list-style-type: none">• “Lilly maintains memberships in organizations that report lobbying activity to the U.S. federal government, including the Pharmaceutical Research and Manufacturers of America, the National Association of Manufacturers, the Biotechnology Innovation Organization, the U.S. Chamber of Commerce and the Business Roundtable. We support organizations that champion public policies that contribute to pharmaceutical innovation, healthy patients, and a healthy business climate.”• “Our membership in these organizations is evaluated annually by the company’s U.S. Government Affairs leaders based on these organizations’ expertise in healthcare policy and advocacy and support of key issues of importance to Lilly.”

KIRKLAND & ELLIS LLP

Securities and Exchange Commission

December 23, 2021

Page 10

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<ul style="list-style-type: none"> • The Political Participation Website contains information regarding the Company’s U.S. trade association memberships for which the Company pays annual dues of \$50,000 or more and also includes information regarding the percentage of dues collected by such trade associations utilized for federal and state lobbying and political expenditures. • Lilly also notes that “we recognize that these organizations may engage in a broad range of other issues that extend beyond the scope of what is of primary importance to Lilly. If concerns arise about an organization’s activities or involvement, we convey our concerns to these groups. We believe there is value in making sure our positions on issues important to Lilly and our industry are communicated and understood within those organizations. Lilly’s membership in these groups comes with the understanding that we may not always agree with the positions of the larger organization and/or other members.” (emphasis added)
<p><u>Section 2: Alignment between Lobbying and Public Policy Positions and Statements.</u></p> <p>“Publish a third party review within the next year . . . of whether Lilly’s lobbying activities (direct and through trade associations) align with Lilly’s public policy position and public statements, particularly supporting ‘making medicines more accessible and affordable to patients’ and ‘fairness and transparency in the biopharma industry.’”</p>	<p>Lilly already publicly discloses its (x) public policy positions and statements regarding its commitment to accessibility and affordability and fairness and transparency, and (y) lobbying activities and other actions promoting access and affordability, and fairness and transparency, providing shareholders the opportunity to directly assess the alignment between the Company’s lobbying activities and its public policy positions and statements.</p> <p><u>(x) Lilly’s Policy Positions and Statements Regarding Access and Affordability and Fairness and Transparency</u></p>

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 11

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<p><u>Political Participation Website:</u></p> <p><i>Political and Policy Participation</i></p> <ul style="list-style-type: none"> • “As a biopharmaceutical company that develops treatment for serious diseases, we play an important role in public health. We believe it is important for our company to be a responsible participant in political and public policy debates around the world. Our engagement in the political arena helps ensure that patients have access to needed medications—leading to improved patient outcomes. Through public policy engagement, we provide a way for all our locations globally to offer Lilly’s perspective on the political environment in a manner that supports access to innovative medicines. We also look for ways to engage on issues specific to local business environments.” (emphasis added) <p><u>Public Policy Website¹¹:</u></p> <p><i>Health-Care System</i></p> <ul style="list-style-type: none"> • “We remain committed to finding solutions — both legislative and non-legislative — that will help people with chronic diseases have affordable access to their medicine.” <p><i>Value-Based Arrangements</i></p> <ul style="list-style-type: none"> • “We strongly believe that outdated policies and regulations should not prevent the development of new, better ways to pay for medicines. We continue to advocate for legislative and regulatory changes that support this transition.”

¹¹ Public Policy Website (Exhibit D).

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 12

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<p><u>2021 Proxy Materials</u> ¹²:</p> <ul style="list-style-type: none"> • “Lilly’s current governance structure provides effective, independent oversight over key matters that are important to our stakeholders, including drug pricing and access.” (emphasis added) • “Our independent directors are deeply engaged in key matters important to Lilly and our stakeholders, including the oversight over the company’s approach to drug pricing and access. Guided by this active oversight, Lilly already has taken numerous steps to address drug pricing and access concerns. For example, Lilly introduced two additional lower-priced versions of branded insulin in January 2020 and added the Lilly Insulin Value Program to Lilly’s comprehensive suite of insulin affordability solutions in September 2020, which enables customers with commercial insurance or no insurance to purchase their monthly prescription of most Lilly insulins for \$35. These examples, among others, demonstrate Lilly’s commitment to providing effective oversight over drug pricing and access.” (emphasis added) • “Our board and management . . . oversee the Company’s approach to the pricing of and access to drugs. For example, Lilly is committed to making medicines accessible to patients and our management has taken steps to reduce access barriers imposed by drug prices, including introducing two additional lower-priced versions of branded insulin in January 2020 and adding the Lilly Insulin Value Program to Lilly’s comprehensive

¹² 2021 Proxy Materials at page 82.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 13

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<p>suite of insulin affordability solutions in September 2020, which enables customers with commercial insurance or no insurance to purchase their monthly prescription of most Lilly insulins for \$35.” (emphasis added)</p> <p><u>ESG Website:</u></p> <p><i>Transparency, Disclosure and Political Engagement</i></p> <ul style="list-style-type: none"> • <i>“We support various transparency initiatives globally, provided that such initiatives are respectful of local laws related to intellectual property, trade secrets, competition and privacy; disclosure of information does not undermine our ability to compete effectively; and information is communicated with appropriate context in an easily understood manner. We seek to collaborate with policy makers, industry colleagues, and key stakeholders to align on approaches that achieve these objectives.”</i> (emphasis added)¹³ <p>“Lilly views our commitment to transparency and disclosure as an opportunity to ensure that patients, HCPs, HCOs and business partners feel confident when engaging with Lilly.”</p> <p><u>Payments to Health-Care Professionals Website:</u>¹⁴</p> <ul style="list-style-type: none"> • “Lilly collaborates with health care professionals (HCPs) and health care organizations (HCOs) focusing on a single goal: to improve the health and quality of

¹³ ESG Website (Exhibit C).

¹⁴ Available at <https://www.lilly.com/policies-reports/public-policy/payments-health-care-professionals> (the “Payments to Health-Care Professionals Website”), and attached hereto as Exhibit H.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 14

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<p>patients’ lives. Being transparent about the nature and extent of our relationships makes it possible to build trust and respect for how we work together to benefit patients.” (emphasis added)</p> <p><u><i>(y) Lilly’s Lobbying Activities and Other Actions Promoting Access and Affordability and Fairness and Transparency</i></u></p> <p><u>Public Policy Website:</u></p> <p><i>Public Policy</i></p> <ul style="list-style-type: none"> • “Lilly supports making medicines more accessible and affordable to patients. Lilly advocates for improvements to the U.S. health care system that align to our core principles of: (1) encouraging and protecting innovation; (2) fairness and transparency in the biopharma industry and all of health care; and (3) lowering costs at the pharmacy counter for patients who use our medicine.” (emphasis added) <p><i>Value-Based Arrangements</i></p> <ul style="list-style-type: none"> • As discussed above, “we strongly believe that outdated policies and regulations should not prevent the development of new, better ways to pay for medicines. We continue to advocate for legislative and regulatory changes that support this transition.” (emphasis added) <p><i>Guided by the active oversight of the Board, the Company engages with other stakeholders to find long-term policy solutions to address gaps in the health-care system.</i></p>

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 15

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<p><u>Diabetes Solution Center</u>¹⁵:</p> <ul style="list-style-type: none"> • <i>Rebate Pass Through</i>: “We continue to advocate for insurers to pass through our negotiated rebates directly to consumers at the pharmacy counter.” • <i>First Dollar Coverage</i>: “Lilly is supportive of efforts to exempt health care services for chronic conditions — including medicines such as insulins — from a health insurance plan’s deductible (‘first dollar coverage’).” • <i>Capping Out-of-Pocket Costs</i>: “We believe a cap would provide a critical financial safeguard for patients, leading to better treatment adherence and improvements in overall health status.” <p><u>Eli Lilly Investors Website – News Releases: Lilly again reduces list price of Insulin Lispro Injection as latest change to affordability option</u>¹⁶</p> <ul style="list-style-type: none"> • “Lilly has introduced numerous affordability programs since 2017. Collectively, these solutions are significantly lowering the out-of-pocket costs for people using our insulins,” said David A. Ricks, Lilly’s chairman and CEO. “Today’s list price cut can further help people who are exposed within our healthcare system — the underinsured and uninsured. Half list-priced Insulin Lispro Injection has been adopted by a third of Humalog U-100 consumers. We hope this

¹⁵ Available at <https://www.lilly.com/resources/diabetes-solution-center/insulin-access-affordability>, and attached hereto as Exhibit F.

¹⁶ Available at <https://investor.lilly.com/news-releases/news-release-details/lilly-again-reduces-list-price-insulin-lispro-injection-latest>, and attached hereto as Exhibit G.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission

December 23, 2021

Page 16

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<p>additional 40 percent cut can expand affordable insulin to more people with diabetes.” (emphasis added)</p> <ul style="list-style-type: none"> • “Lilly’s numerous affordability solutions, combined with insurance coverage, have lowered the average monthly out-of-pocket cost for a prescription of Lilly insulin (regardless of the number of vials or pens) to \$28.05, a 27 percent decrease over the past four years.” (emphasis added) • “In addition to lowering the list price of Insulin Lispro Injection, Lilly will keep other affordability programs in place for people using Lilly insulins — including the \$35 co-pay card for the uninsured and people with commercial insurance, and the Senior Savings Model for people in participating Medicare Part D plans.” • “The affordability options we have introduced in recent years have helped many people who were struggling to afford their insulin,” said Mike Mason, president, Lilly Diabetes. “Regardless of their circumstances, people who cannot afford their Lilly insulin should call the Lilly Diabetes Solution Center, or go to insulinaffordability.com, to find solutions to help them lower their out-of-pocket costs.”
<p><u>Section 3: Overview of Alignment and Risk Oversight</u></p> <p>“The Report should also discuss how Lilly addresses the risks presented by any</p>	<p>Lilly already publicly discloses its oversight and plans to mitigate the alleged risks presented by any misaligned lobbying.</p> <p><u>The Company’s Corporate Governance Guidelines (the “Guidelines”):</u></p> <ul style="list-style-type: none"> • “The board and the Directors and Governance Committee oversee the company’s approach to current and

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 17

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
<p>misaligned lobbying and its plans, if any, to mitigate these risks.”</p>	<p>emerging political, social, environmental, and governance trends and public policy issues that may affect the company’s business operations, performance or reputation.” (emphasis added)¹⁷</p> <p><u>Political Participation Website:</u></p> <p><i>Decision-making process and the Board’s oversight for making political contributions.</i></p> <ul style="list-style-type: none"> • “The Lilly Board of Directors exercises governance oversight of our political expenditures and lobbying activities to ensure that we fulfill our commitment to stewardship of corporate funds and risk minimization with respect to such activities, as well as other environmental, social and governance matters,” and furthermore, “the full Board receives regular updates at Board meetings from our Senior Vice President, Corporate Affairs and Communications, which include updates on public policy issues and the company’s political corporate activity, as needed. The entire Board also receives semi-annual updates on political engagement, including information on the contributions made by LillyPAC and the company, as well as trade association memberships.” (emphasis added) <p><u>2021 Proxy Materials:</u></p> <ul style="list-style-type: none"> • “Our board oversees and maintains ongoing engagement with our Compensation Committee, Directors and Corporate Governance Committee, and senior executives on key political, social,

¹⁷ Available at https://assets.ctfassets.net/1o78rkh13da6/4s23VaYR1QhBzfnagYvMM4/01acf2bff4f787927dc7252ad4e847a9/Corporate_Governance_Guidelines.pdf, and attached hereto as Exhibit I.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 18

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<p>and governance matters, including sustainability and human capital management.” (emphasis added)¹⁸</p> <ul style="list-style-type: none"> • “The board exercises oversight over a broad range of areas, but the board’s key responsibilities include the following (certain of which are carried out through the board’s committees): . . . overseeing the company’s approach to current and emerging political, social, environmental, and governance trends and public policy issues that may affect the company.” (emphasis added)¹⁹ • As stated above, “Our independent directors are deeply engaged in key matters important to Lilly and our stakeholders, including the oversight over the company’s approach to drug pricing and access. Guided by this active oversight, Lilly already has taken numerous steps to address drug pricing and access concerns. For example, Lilly introduced two additional lower-priced versions of branded insulin in January 2020 and added the Lilly Insulin Value Program to Lilly’s comprehensive suite of insulin affordability solutions in September 2020, which enables customers with commercial insurance or no insurance to purchase their monthly prescription of most Lilly insulins for \$35. These examples, among others, demonstrate Lilly’s commitment to providing effective oversight over drug pricing and access.” (emphasis added)²⁰ <p><u>Political Participation Website:</u></p>

¹⁸ 2021 Proxy Materials, page 6.
¹⁹ 2021 Proxy Materials, page 33.
²⁰ 2021 Proxy Materials, page 82.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission

December 23, 2021

Page 19

<i>Requests Made in Proposal</i>	<i>Illustrative Implementation by the Company</i>
	<p><i>Board Oversight</i></p> <ul style="list-style-type: none"> • As noted above, the entire Board exercises oversight over the Company’s political activities, and it receives regular updates from the Company’s Senior Vice President, Corporate Affairs and Communications on public policy issues and the Company’s political corporate activity, and the entire Board also receives semi-annual updates on political engagement, including information on the contributions made by LillyPAC and the Company, as well as trade association memberships. • “Lilly’s Vice President, U.S. Government Affairs reviews and approves all corporate political contributions to ensure these contributions are consistent with the company’s guidelines and in accordance with applicable laws. The company’s General Counsel and the Chief Financial Officer, or their designees, also approve all corporate political contributions before they are made.” (emphasis added) • “The LillyPAC governing board is comprised of 16 U.S.-based employees who represent business areas throughout the company. The LillyPAC governing board reviews all contributions made by LillyPAC twice annually. Lilly’s Vice President, U.S. Government Affairs manages LillyPAC operations, and a member of Lilly’s Executive Committee serves as an executive sponsor and board chair of LillyPAC to ensure compliance and alignment with company priorities.” (emphasis added)

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
December 23, 2021
Page 20

2. The Proposal May be Excluded Under Rule 14a-8(i)(11) Because It Substantially Duplicates An Earlier Submitted Proposal For Which the Company is Seeking A Separate No-Action Request.

A. Background

The Proposal substantially duplicates a proposal the Company received from Trinity Health (the “*Prior Proposal*”) on November 12, 2021 before the Company received the Proposal from the Proponent later that same day.²¹ As discussed below, the Proposal and the Prior Proposal both share the same principal focus and principal thrust requesting that the Company publish reports that allow shareholders to assess how the Company addresses and mitigates risks relating to the accessibility, affordability and the pricing of its medicines. A copy of the Prior Proposal is attached as Exhibit K.

We have separately submitted a request for no-action relief with regard to the Prior Proposal on the basis that the Company substantially implemented the Prior Proposal. However, if the Staff does not concur with the Company’s view that the Prior Proposal is excludable pursuant to Rule 14a-8(i)(10), the Company intends to include the Prior Proposal in the 2022 Proxy Materials.

B. Rule 14a-8(i)(11) Background

Rule 14a-8(i)(11) provides that a stockholder proposal may be excluded if it “substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company’s proxy materials for the same meeting.” The Commission has stated that “the purpose of [Rule 14a-8(i)(11)] is to eliminate the possibility of shareholders having to consider two or more substantially identical proposals submitted to an issuer by proponents acting independently of each other.” Exchange Act Release No. 12999 (Nov. 22, 1976). Two stockholder proposals need not be identical in order to provide a basis for exclusion under Rule 14a-8(i)(11). The standard that the Staff traditionally has applied for determining whether stockholder proposals are substantially duplicative is whether the proposals present the same “principal focus” or “principal thrust.” *Pacific Gas & Electric Co.* (Feb. 1, 1993). A proposal may be excluded as substantially duplicative of another proposal despite differences in terms or breadth and despite the proposals requesting different actions. *See, e.g., Exxon Mobil Corp.* (Mar. 13, 2020) (permitting exclusion under Rule 14a-8(i)(11) of a proposal where the Staff explained “the two proposals share a concern for seeking additional transparency from the [c]ompany about its lobbying activities and how these activities align with the [c]ompany’s expressed policy positions”

²¹ See correspondence demonstrating that the Prior Proposal (Lilly received notice at 7:03 a.m.) was received by Lilly before the Proposal (Lilly received notice at 4:16 p.m.), attached hereto as Exhibit J.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
December 23, 2021
Page 21

despite the proposals requesting different actions); *Wells Fargo & Co.* (Feb. 8, 2011) (permitting exclusion under Rule 14a-8(i)(11) of a proposal seeking a review and report on the company's loan modifications, foreclosures and securitizations as substantially duplicative of a proposal seeking a review and report that would include "home preservation rates" and "loss mitigation outcomes," which would not necessarily be covered by the other proposal); *Chevron Corp.* (Mar. 23, 2009, *recon. denied* Apr. 6, 2009) (permitting exclusion under Rule 14a-8(i)(11) of a proposal requesting that an independent committee prepare a report on the environmental damage that would result from the company's expanding oil sands operations in the Canadian boreal forest as substantially duplicative of a proposal to adopt goals for reducing total GHG emissions from the company's products and operations); *Bank of America Corp.* (Feb. 24, 2009) (permitting exclusion under Rule 14a-8(i)(11) of a proposal requesting the adoption of a 75% hold-to-retirement policy as subsumed by another proposal that included such a policy as one of many requests); *Ford Motor Co. (Leeds)* (Mar. 3, 2008) (permitting exclusion under Rule 14a-8(i)(11) of a proposal to establish an independent committee to prevent Ford family stockholder conflicts of interest with non-family stockholders as substantially duplicative of a proposal requesting that the board take steps to adopt a recapitalization plan for all of the company's outstanding stock to have one vote per share).

Furthermore, the Staff has consistently concurred that two proposals can be substantially similar within the scope of Rule 14a-8(i)(11) notwithstanding a slight difference in the actions requested. *See, e.g., Caterpillar Inc. (AFSCME Employees Pension Plan)* (Mar. 25, 2013) (permitting exclusion under Rule 14a-8(i)(11) of a proposal requesting a report was substantially duplicative of a proposal that the company "review and amend, where applicable," certain policies and post a summary of the review on the company's website, despite the addition of an additional action in connection with the requested report); *Cooper Industries, Ltd.* (Jan. 17, 2006) (permitting exclusion under Rule 14a-8(i)(11) of a proposal requesting that the company "review its policies related to human rights to assess areas where the company needs to adopt and implement additional policies and to report its findings" as substantially duplicating a prior proposal requesting that the company "commit itself to the implementation of a code of conduct based on... ILO human rights standards and United Nations' Norms on the Responsibilities of Transnational Corporations with Regard to Human Rights"); *Ford Motor Co.* (Feb. 19, 2004) (permitting exclusion under Rule 14a-8(i)(11) of a proposal calling for internal goals related to greenhouse gases as substantially similar to a proposal calling for a report on historical data on greenhouse gas emissions and the company's planned response to regulatory scenarios, where the company successfully argued that "[a]lthough the terms and the breadth of the two proposals are somewhat different, the principal focus and thrust are substantially the same, namely to encourage the [c]ompany to adopt policies that reduce greenhouse gas emissions in order to enhance competitiveness").

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
December 23, 2021
Page 22

C. The Proposal and the Prior Proposal Share the Same Principal Focus and Principal Thrust and if Included in the 2022 Proxy Materials, Would Require Shareholders to Consider Two or More Substantially Identical Proposals By Proponents Acting Independently of Each Other.

The Proposal calls for the Board to publish a report to shareholders disclosing whether the Company's lobbying activities align with its public policy positions and statements, particularly regarding Lilly's goals of promoting access and affordability of medicines and fairness and transparency in the biopharmaceutical industry. The Prior Proposal calls for the Board to produce a report on how it oversees risks from alleged anticompetitive practices and encourages Board oversight over risks from the Company's pricing of its medicines. Although the breadth and scope of the Proposal and the Prior Proposal, as well as their respective supporting statements, are not identical, both share the same thrust and focus—giving shareholders the information necessary to assess how the Company addresses and mitigates risks relating to the access, affordability and the pricing of its medicines.

In fact, the Proponent and the proponent of the Prior Proposal publicly acknowledged in a press release published by the Interfaith Center on Corporate Responsibility (the "ICCR") on December 1, 2021 (the "ICCR Press Release") that the two proposals share the same principal thrust.²² The ICCR Press Release notes that "members of the ICCR [which includes both the proponent of the Proposal and the Prior Proposal]²³ and Investors for Opioid and Pharmaceutical Accountability (IOPA) . . . announced a **group of proposals** they are submitting for 2022 proxies that **collectively seek to highlight how the sector is failing to prioritize equitable access to its products.**" (emphasis added)²⁴ The ICCR Press Release outlines the shareholder proposals (table reproduced below)²⁵ to be submitted to seven pharmaceutical companies, including the Proposal and Prior Proposal directed at Lilly:

²² See joint statement by membership organization, available at <https://www.iccr.org/string-shareholder-proposals-2022-proxies-seek-move-pharma-companies-address-long-standing-access> (Dec. 1, 2021), and attached hereto as [Exhibit L](#).

²³ See <https://www.iccr.org/membership/iccr-members#:~:text=ICCR%20is%20a%20membership%20organization%20whose%20members%20include,funds%2C%20NGOs%20and%20college%20and%20university%20endowment%20funds> ("ICCR's Members"), attached hereto as [Exhibit M](#).

²⁴ ICCR Press Release ([Exhibit L](#)).

²⁵ The table is hyperlinked in the ICCR Press Release, and is available at https://www.iccr.org/sites/default/files/resources_attachments/updated_2022_resolutions_lead_filers_final1.jpg.

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
 December 23, 2021
 Page 23

2022 Shareholder Resolutions at Pharmaceutical Companies

Company	Asks	Lead Filer
AbbVie	Anticompetitive Practices	Friends Fiduciary
Amgen	Anticompetitive Practices	UAW Retiree Medical Benefits Trust
	Lobbying Alignment	Mercy Investment Services
Eli Lilly	Anticompetitive Practices	Trinity Health
	Lobbying Alignment	Common Spirit Health
Gilead	Anticompetitive Practices	Mercy Investment Services
	Lobbying Alignment	Maryknoll Sisters
JNJ	Public Investment and Access to COVID Products	Oxfam
	Racial Equity Audit	Mercy Investment Services
	Lobbying Alignment	SHARE
Moderna	Public Investment and Access to COVID Products	Legal and General Investment Management
	Feasibility Study on Tech and Knowledge Transfer	Oxfam
Pfizer	Public Investment and Access to COVID Products	Trinity Health
	Feasibility Study on Tech and Knowledge Transfer	Oxfam
	Anticompetitive Practices	Seventh Generation Interfaith Coalition for Responsible Investment (Sisters of St. Francis Charitable Trust)
	Racial Equity Audit	SEIU

The ICCR Press Release plainly articulates the shared mission of the Proponent and the proponent of the Prior Proposal in making the Proposal and the Prior Proposal, noting that “**while the requests are different, they are united by the common goal of helping shareholders understand how pharma companies are addressing or failing to address access and affordability gaps** (emphasis added).”²⁶ In their own words, the Proponent and proponent of the Prior Proposal acknowledge that the Prior Proposal and Proposal share the same principal thrust, as both proposals are seeking additional information for shareholders to assess whether

²⁶ ICCR Press Release ([Exhibit L](#)).

KIRKLAND & ELLIS LLP

Securities and Exchange Commission
December 23, 2021
Page 24

pharmaceutical companies, including Lilly, are addressing access and affordability on an industry-wide basis.

The overlap of the Proposal and the Prior Proposal is further demonstrated by the similar focus on the Company's public policy activities in relation to the pricing and affordability of medicines. Each of the supporting statements reference the same litigation and regulatory scrutiny²⁷, and each requests information on how the Company intends to address public policy activities in relation to access and affordability.

The Proposal therefore is excludable, even though the two proposals call for somewhat different actions, because they share in the same principal focus and thrust. *See, e.g., Wells Fargo & Co.* (Feb. 8, 2011) (the Staff concurring with the exclusion of a proposal and explaining "the two proposals share a concern for seeking additional transparency from the [c]ompany about its lobbying activities and how these activities align with the [c]ompany's expressed policy positions" despite the proposal requesting different actions).

Finally, if the Company were required to include both the Proposal and the Prior Proposal in its 2022 Proxy Materials, there is a significant risk that the Company's shareholders would be confused when asked to vote on the Proposal and the Prior Proposal. In such a circumstance, shareholders could assume incorrectly that there must be substantive differences between such proposals and the requested actions. As noted above, the purpose of Rule 14a-8(i)(11) "is to eliminate the possibility of shareholders having to consider two or more substantially identical proposals submitted to an issuer by proponents acting independently of each other." Exchange Act Release No. 12999 (Nov. 22, 1976). Accordingly, the Company believes that the Proposal should be excluded pursuant to Rule 14a-8(i)(11) as substantially duplicative of the Prior Proposal.

²⁷ Both the Proposal and the Prior Proposal refer to the same 2017 class action lawsuit against the Company, *In Re Insulin Pricing Litigation*. *See Exhibit A*, note 3, citing Fierce Pharma Article, available at <https://www.fiercepharma.com/pharma/novo-faces-new-shareholder-suit-for-alleged-collusive-price-fixing>, and *see also Exhibit K*, note iv, citing Eli Lilly and Company 2020 Form 10-K, at 108-109, available at <https://investor.lilly.com/static-files/e724cf2c-3a2e-4180-beaf-944ecd588323>.


KIRKLAND & ELLIS LLP

December 23, 2021
Page 25

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that the Company may exclude the Proposal from the 2022 Proxy Materials. Should the Staff disagree with the conclusions set forth in this letter, or should you require any additional information in support of our position, we would welcome the opportunity to discuss these matters with you as you prepare your response. Any such communication regarding this letter should be directed to me at sarkis.jebejian@kirkland.com or (212) 446-5944.

Sincerely,



Sarkis Jebejian, P.C.

cc: Anat Hakim
Senior Vice President, General Counsel and Secretary, Eli Lilly and Company

Laura Krausa
(as authorized representative for CommonSpirit Health and co-filer Missionary Oblates of Mary Immaculate / OIP Investment Trust (U.S. Province))

Timothy P. Dewane
Shalom/JPIC Office Director
(as authorized representative of School Sisters of Notre Dame, Central Pacific Province)

Exhibit A
[Copy of Proposal]

Eli Lilly and Company, Inc.
Lobbying Misalignment 2022

Resolved: Shareholders request that the Board of Directors commission and publish a third party review within the next year (at reasonable cost, omitting proprietary information) of whether Eli Lilly and Company’s (“Lilly’s”) lobbying activities (direct and through trade associations) align with Lilly’s public policy position and public statements, particularly supporting “making medicines more accessible and affordable to patients” and “fairness and transparency in the biopharma industry.”¹ The report should discuss how Lilly addresses the risks presented by any misaligned lobbying and its plans, if any, to mitigate these risks.

Supporting Statement:

Lilly’s commitment to Health Above All is in opposition to its lobbying efforts. Lilly says, “We’re dedicated to making our medicines more equitable, accessible and affordable,” and clearly states, “no one should have to ration their insulin.”² Yet, Lilly is among three insulin manufacturers explicitly called out for price collusion in a 2017 class action lawsuit.³

Lilly states, “Now more than ever, it’s vitally important that we demonstrate accountability and trustworthiness so we can continue to earn the confidence of patients, healthcare providers and other customers, as well as society as a whole.” However, Lilly has directly lobbied against drug pricing reform that advances affordability,⁴ hiring three lobbyists in March 2021 to defeat Democratic drug pricing proposals even while Lilly was under intense scrutiny for insulin price hikes.⁵

Lilly’s CEO Dave Ricks is now the Board Chair for Pharmaceutical Research and Manufacturers of America (“PhRMA”), which raised nearly \$527 million in 2020 and spent roughly \$506 million, including donating millions to numerous other organizations for use in opposing congressional drug pricing reform efforts.⁶ PhRMA also sits on the board of the American Legislative Exchange Council, which has actively opposed H.R. 3 and its moderate counterpart S. 2534 (both 116th Congress) - bills to lower the costs of pharmaceuticals.⁷

Lilly is the fourth largest lobbying spender (\$166.2M) and the third highest campaign contributor (\$13.3M) between 1999 and 2018. Lilly was among several pharmaceutical companies that gave \$1.6M to lawmakers in the first half of 2021, targeting legislators who were likely to oppose drug pricing reforms in the Build Back Better Act.⁸

¹ <https://www.lilly.com/policies-reports/public-policy>

² <https://www.lilly.com/who-we-are/health-above-all>

³ <https://www.fiercepharma.com/pharma/novo-faces-new-shareholder-suit-for-alleged-collusive-price-fixing>

⁴ <https://www.wfyi.org/news/articles/eli-lilly-says-legislation-to-address-drug-prices-would-hurt-its-current-future-operations>

⁵ <https://www.opensecrets.org/news/2021/04/vaccine-access-pharma-lobbying-fight/>

⁶ <https://www.opensecrets.org/news/2020/12/pharma-lobby-poured-millions-into-darkmoney-groups/>

⁷ <https://www.alecaction.org/update/20-alec-lawmakers-say-no-to-importing-price-controls-and-socialized-medicine-to-america>

⁸ <https://www.tampabay.com/news/health/2021/10/27/big-pharma-spends-big-to-block-attempts-to-control-drug-prices/>

The positions Lilly adopts should not be undermined by lobbying efforts undertaken by organizations the Company supports financially. A company may not support every position taken by the trade associations to which it belongs, but proper risk management requires that the board be aware of inconsistencies and evaluate salient risks that would require mitigation.

Given Lilly's extensive direct and indirect lobbying against measures that would make drugs more affordable, we are concerned that the misalignment between Lilly's lobbying and its stated position with regard to equity, access and affordability creates reputational risk.

For these reasons, we urge shareholders to support the proposal.

⁹<https://www.opensecrets.org/orgs/eli-lilly-co/lobbying?id=d000000166>

Exhibit B

[Copy of Political Participation Website]

Public Policy Engagement and Political Participation

Political and Policy Participation

As a biopharmaceutical company that develops treatment for serious diseases, we play an important role in public health. We believe it is important for our company to be a responsible participant in political and public policy debates around the world. Our engagement in the political arena helps ensure that patients have access to needed medications—leading to improved patient outcomes. Through public policy engagement, we provide a way for all our locations globally to offer Lilly’s perspective on the political environment in a manner that supports access to innovative medicines. We also look for ways to engage on issues specific to local business environments.

Through our policy research, development and stakeholder dialogue activities, Lilly focuses on several dynamic areas that are important to our company, our industry and the people we serve.

Our public policy efforts center on three key areas: innovation; health care delivery; and pricing and reimbursement. We disclose our lobbying activities in compliance with the Lobbying Disclosure Act. For additional information on Lilly’s positions on healthcare policies, please see: [lilly.com/policies-reports/public-policy](https://www.lilly.com/policies-reports/public-policy).

Board Oversight

The Lilly Board of Directors exercises governance oversight of our political expenditures and lobbying activities to ensure that we fulfill our commitment to stewardship of corporate funds and risk minimization with respect to such activities, as well as other environmental, social and governance matters. The Directors and Corporate Governance Committee of the Board is responsible for identifying current and emerging social, environmental, political and governance trends and public policy issues that may affect the business operations, performance, or reputation of the company. In addition, the full Board receives regular updates at Board meetings from our Senior Vice President, Corporate Affairs and Communications, which include updates on public policy issues and the company’s political corporate activity, as needed. The full Board also receives semi-annual updates on political engagement, including information on the contributions made by LillyPAC and the company, as well as trade association memberships.

Recipients of Company's Political Contributions

Where permitted, Lilly may make lawful political contributions in the United States to political candidate committees, political parties, political action committees, ballot measure committees, associations and other political organizations operating under section 527 of the Internal Revenue Code. Lilly will only fund other non-candidate expenditures by exception (e.g., certain ballot initiatives) and those contributions are disclosed in our annual [Report of Political Financial Support](#).

Lilly has not made “independent expenditures,” such as by paying for advertisements in support of or opposition to candidates running for public office and does not have plans to make such expenditures. Nor does Lilly anticipate making “independent expenditures” in support of or opposition to ballot measures. Were Lilly to make an “independent expenditure” in the future, it would disclose this spending on its Report on Political Financial Support.

Political Contributions to Candidates for Public Office

Our political contributions promote the interests of the company and the patients and customers we serve. They are made without regard to the partisan affiliation of the candidate or the private political preferences of our officers and directors.

LillyPAC and corporate contributions are made based on several criteria, including:

- Voting record or announced positions on issues important to Lilly.
- Demonstrated leadership on key committees of importance to our business.
- Potential for legislative leadership.
- Dedication to improving the relationship between business and government.
- Representation of a state or district where Lilly has a facility or large concentration of employees.

Corporate Political Contributions

Corporate political contributions are made to state candidates and committees, where permissible. Lilly’s Vice President, U.S. Government Affairs reviews and approves all corporate political contributions to ensure these contributions are consistent with the company’s guidelines and in accordance with applicable laws. The company’s General Counsel and the Chief Financial Officer, or their designees, also approve all corporate political contributions before they are made.

Lilly voluntarily discloses its corporate political contributions on an annual basis. In 2020, Lilly provided corporate contributions to state candidates and committees totaling \$241,000. For more information, please see our [2020 Report of Political Financial Support](#).

LillyPAC

Lilly’s Political Action Committee (LillyPAC) is funded solely from voluntary contributions from eligible employees and supports political candidates of all parties at the local, state and federal level who understand the policies that advance a positive environment for biopharmaceutical innovation. The LillyPAC governing board is comprised of 16 U.S.-based employees who represent business areas throughout the company. The LillyPAC governing board reviews all contributions made by LillyPAC twice annually. Lilly’s Vice President, U.S. Government Affairs manages LillyPAC operations, and a member of Lilly’s Executive Committee serves as an executive sponsor and board chair of LillyPAC to ensure compliance and alignment with company priorities.

LillyPAC voluntarily discloses its contributions on an annual basis. In 2020, LillyPAC contributions to local, state and federal candidates totaled \$727,800. For more information, please see our [2020 Report of Political Financial Support](#).



[View Previous Reports](#)

[2019 Report of Political Financial Support](#)
[2018 Report of Political Financial Support](#)
[2017 Report of Political Financial Support](#)
[2016 Report of Political Financial Support](#)
[2015 Report of Political Financial Support](#)
[2014 Report of Political Financial Support](#)

Federal and State Lobbying Activities

Lilly conducts direct lobbying efforts at the federal, state, and local levels to educate policymakers on the specific implications that various legislation may have on the company, our community, and patients. Lilly's Vice President, U.S. Government Affairs is responsible for the company's lobbying activities.

When engaging in lobbying activities, we comply with the laws that govern such activities. Lilly employees must also comply with our global policies, core values and legal obligations, which are outlined in our written Code of Business Conduct, The Red Book.

Lilly complies with the Lobbying Disclosure Act and files quarterly reports that include information regarding our federal lobbying expenditures. These reports may be viewed on the U.S. Senate Lobbying Disclosure Act Database [website](#). In all states where we operate, we comply with state registration and reporting requirements. Our state reporting may be viewed on each state's lobbying disclosure website. Lilly voluntarily provides [this chart](#) for locating its disclosures on each state's website.

In 2020, Lilly spent \$5,420,000 on U.S. federal lobbying activities, which includes, but is not limited to, compensation and benefits for staff members, payment of external consultants, policy research funding and travel expenses.

Trade Association Memberships

Lilly maintains memberships in organizations that report lobbying activity to the U.S. federal government, including the Pharmaceutical Research and Manufacturers of America, the National Association of Manufacturers, the Biotechnology Innovation Organization, the U.S. Chamber of Commerce and the Business Roundtable. We support organizations that champion public policies that contribute to pharmaceutical innovation, healthy patients, and a healthy business climate.

Our membership in these organizations is evaluated annually by the company's U.S. Government Affairs leaders based on these organizations' expertise in healthcare policy and advocacy and support of key issues of importance to Lilly.

In addition to their positions on health care and business policy issues, we recognize that these organizations may engage in a broad range of other issues that extend beyond the scope of what is of primary importance to Lilly. If concerns arise about an organization's activities or involvement, we convey our concerns to these groups. We believe there is value in making sure our positions on issues important to Lilly and our industry are communicated and understood within those organizations. Lilly's membership in these groups comes with the understanding that we may not always agree with the positions of the larger organization and/or other members.

We disclose memberships in organizations to which Lilly pays annual membership dues of \$50,000 or more, and which lobby in the U.S. at the federal and state level, as well as the percentage of dues collected from member companies utilized by that organization for federal and state lobbying and political expenditures. If Lilly has a board seat in any of those organizations, the board seat is also disclosed and noted with an asterisk.

- BIOCOM* (10%)
- Biotechnology Innovation Organization* (41%)
- Business Roundtable (40%)
- California Life Sciences (22%)
- Indy Chamber* (5%)
- International Federation of Pharmaceutical Manufacturers Association* (0%)
- Indiana Chamber of Commerce* (9%)
- National Association of Manufacturers* (20%)

- Pharmaceutical Research Manufacturers Association* (33%)
- U.S. Chamber of Commerce (25%)

Exhibit C

[Copy of ESG Website]



Our Governance Approach

Our company was founded nearly 150 years ago on the Lilly family's core values of integrity, excellence and respect for people, and these values continue to guide all that we do today. We are committed to upholding the highest standards of corporate conduct in all business dealings around the world. We believe that a strong system of corporate governance is critical to promoting the long-term interests of our shareholders and other company stakeholders.

Governance Priorities

Business Ethics

Corporate Governance

Supply Chain Management

Business Ethics

SASB Disclosures Covered: [Business Ethics \(HC-BP-510a.2\)](#); [Ethical Marketing \(HC-BP-270a.2\)](#)

Management Approach

At Lilly, we are committed to upholding high standards of corporate conduct in our business dealings around the world. Our code of business conduct – called [The Red Book](#) – and our policies, compliance management systems, HR performance and promotion systems, training programs and communications initiatives are designed to work together to reinforce a culture of integrity and ethical behavior.

Bioethics – which focuses on the ethics of health care, biomedical research and biomedical public policy – is an integral component of corporate integrity in the pharmaceutical industry. Our bioethics program is a part of our global Ethics and Compliance organization and works to drive the integration of bioethics principles into Lilly's standards, decisions and actions. We embrace a comprehensive approach to bioethics, providing a variety of resources and educational offerings to help employees navigate ethical scenarios and apply bioethics principles in their daily work.

A key component to our culture of ethics and integrity is transparency. Lilly collaborates with health care professionals and health care organizations focusing on improving the health and quality of patients' lives. We believe being transparent about our relationships with these external groups, advocacy and other stakeholders helps Lilly to build trust and respect for how we work with these groups to benefit the people we serve.

In This Section

Ethics and Compliance

Ethics and Compliance

Our comprehensive approach to ethics and compliance includes proactive risk assessments, trainings and communications designed to prevent fraud or other violations of Lilly's policies, as well as reporting, auditing and monitoring to detect potential compliance gaps. We assess risks in our business functions and the geographies we operate to help business leaders understand, prioritize and mitigate risks related to ethics, compliance and fraud. We have a robust investigation process, and we develop corrective and preventive action plans to address issues as appropriate. We also use available data to improve our programs to help leaders assess the risks they face.

We have aligned our anti-corruption due diligence process, privacy program and bioethics work and have dedicated teams supporting these programs within our Ethics and Compliance organization to reflect the evolving business and external environment in which we operate.

Our Code of Conduct, Policies and Procedures

Our code of conduct, policies and procedures are designed to reinforce our [core values](#) and provide guidance on how we expect business to be conducted. They include processes for interacting with health care providers, government officials, and others, and they are designed to be consistent with codes issued by other relevant organizations, including the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA), the Pharmaceutical Research and Manufacturers of America (PhRMA), European Federation of Pharmaceutical Industry Associations (EFPIA), and the Japan Pharmaceutical Manufacturers Association (JPMA).

Our global procedures and processes support the ethical marketing and promotion of our products and require the review and approval of this content by relevant subject matter experts. We investigate potential violations of these procedures and, when appropriate, take corrective and preventive actions including reporting to regulatory authorities as appropriate.

In 2018, 2019 and 2020, we received no warning letters or untitled letters from the Office of Prescription Drug Promotion (OPDP), US Food and Drug Administration (US FDA) Center for Drug Evaluation and Research or the Advertising and Promotional Labeling Branch (APLB), US FDA Center for Biologics Evaluation and Research.

We regularly update and disseminate our compliance-related expectations through [The Red Book](#), our code of business conduct. Available in 20 languages, this document and associated training support a judgment-based approach emphasizing the company's values and the importance of ethical decision-making. The code of conduct and associated training includes our [11 corporate policies](#):

- Our Ethical Foundation
- Conducting Research and Development
- Respecting People
- Assuring Quality
- Ethical Interactions: Communicating Honestly
- Ethical Interactions: Preventing Corruption
- Maintaining Financial Integrity
- Respecting Personal Information and Privacy
- Managing and Protecting Information
- Protecting People, the Environment and Our Assets
- Speaking Up: No Retaliation

Ethics Training and Communications



We recognize the impact of people and the role of human behavior on our organization's culture, and we aim to integrate these elements into our ethics and compliance program as part of our strategy to promote ethical behavior and decision making. We believe all employees can play a role in the success of our ethics and compliance program, so we consider training, development and communications essential components of nurturing a culture of integrity and ethics throughout our business.

Training and Development

Each year, we require our employees to complete training in ethical business practices. This includes requiring all Lilly employees and key contractors to complete training on [The Red Book](#) and certify they have read, understood and will abide by its requirements. More than 99 percent of employees completed this annual training in 2020. Most employees also receive additional targeted ethics and compliance training related to their specific role. Employees who do not complete required ethics and compliance training receive HR discipline as appropriate. Additionally, each year senior leaders are required to confirm their organizations are in compliance with the code of business conduct and applicable policies and procedures.

As part of our focus on nurturing a culture of integrity, we supplement our ethics and compliance training with case studies and behavioral ethics research. Our goal is to help our leaders and employees understand the role pressure can play in rationalizing poor decisions and techniques they can use to mitigate this risk for themselves and within their teams. Additionally, we share details of real situations to reinforce with employees the behaviors and best practices that have led to ethical decision-making as well as the lessons learned from past missteps. Our goal is to help employees apply our principles, policies, and procedures in their day-to-day work.

We also regularly provide high-potential employees with development assignments within the Ethics and Compliance function. We gain valuable insights from these participants, and we believe they return to their roles in the business with a renewed understanding of our commitment to integrity and the programs in place to support it.

Communications

We further strengthen our culture with robust communications to help ensure employees are aware of their responsibilities under our policies, know where to find resources to help them do their jobs and understand lessons we have learned as an organization. We provide leaders with additional resources designed to help them recognize their vital role in creating an environment that encourages ethical behavior.

For the past several years, we've been on a journey to build and nurture a culture where people notice and speak up about mistakes or concerns, ask questions when they don't know the right course of action to take and listen when someone raises a concern or question. Our Speaking Up: No Retaliation policy supports this effort, and we've created a comprehensive set of resources to help employees understand how we define retaliation, why we do not tolerate it in any form and the channels available to them to support speaking up.

Tracking Our Progress

We track our progress in many ways, including reviewing the results of our annual employee survey. Results from the 2020 survey show that approximately 95% of survey respondents say they would report a suspected ethical violation if observed, and they know how to access the proper channels to make a report.

Reporting, Monitoring and Auditing



To help identify possible compliance issues, we maintain an internal disclosure system that includes a mechanism for anonymous reporting (where permitted by local law). We also review business actions through a system of monitoring and audits.

- **Internal Reporting** – Lilly employees are required to report known or suspected violations of the law, *The Red Book*, company policies or official orders or decrees applicable to our business. We recognize speaking up is our right and responsibility, and we encourage employees to report any ethical concerns or issues. Our toll-free Ethics and Compliance Hotline is staffed by an independent firm, 24 hours a day, seven days a week. Employees can access the hotline [online](#), by phone, 1-800-815-2481, and via a designated email address, speakup@lilly.com, and they are actively encouraged to bring concerns to supervisors, leaders and representatives of ethics and compliance, legal and human resources. As our Speaking Up: No Retaliation policy states – we share concerns openly and honestly, knowing that Lilly will not tolerate acts of retaliation.
- **Monitoring** – We maintain a risk-based ethics and compliance monitoring program. Key components of the program include a global monitoring strategy, risk assessments, monitoring plans, standardized tools and processes for reporting metrics to our business and functional leaders.
- **Corporate Auditing** – Our internal corporate auditing functions conduct financial, nonfinancial and quality audits of Lilly affiliates, functions, manufacturing, research and certain third parties to evaluate compliance with our policies and procedures. These audits include reviews of our anti-corruption program, privacy and other policies related to ethical interactions (e.g., off-label promotion).

Investigations and Corrective Actions



We take reports of known or suspected violations of company policies and procedures seriously, and we investigate claims of potential wrongdoing that are brought to our attention. We seek to identify and address inappropriate conduct as early as possible and to prevent future recurrences. Our global investigation team receives specialized training and conducts investigations according to a standardized process designed to satisfy applicable global and local procedural and privacy requirements.

Listed below are statistics on high-risk allegations brought to our attention in 2020 and evaluated through a consistent process. These statistics concern allegations determined to be of the highest risk to the company and include potential violations of policies and procedures related to finance, sales, marketing, manufacturing, quality and conduct.

- In 2020, we investigated and closed 347 high-risk allegations*, and confirmed that a violation had occurred 68.2% of the time. Outcomes related to violations are listed below:
- Individuals disciplined, up to and including termination, 41.4%
- Individuals received corrective feedback or other outcome, 58.6%

**One allegation equals one individual. If a situation involves more than one individual, that matter may be recorded as multiple allegations. Statistics calculated as of February, 2021.*

During investigations of high-risk matters, our team works to identify the root cause of the issue. Following the investigation, we help business area owners identify and implement corrective and preventive actions designed to address the issue as well as prevent a recurrence. We monitor the effectiveness of these actions, adjust as needed and track and report our progress.

Anti-Corruption Compliance



Lilly's commitment to ethical business conduct includes complying with applicable anti-bribery and anti-corruption (ABAC) laws and regulations around the world. This extends to our work with third parties. We use a risk-based anti-corruption due diligence process to evaluate certain third parties, as appropriate, before engaging them, including the following:

- Third parties who may be authorized by Lilly to interact with health care providers or government officials on the company's behalf
- Prospective recipients of grants and donations
- Prospective business development partners

When appropriate, as determined through our risk evaluation process, third parties are required to follow anti-corruption policy and procedure requirements and participate in anti-corruption training. As part of our ongoing monitoring efforts, we conduct independent ABAC assessments of certain third parties. We also conduct an annual global anti-corruption risk assessment to identify potential risks and develop appropriate risk mitigation plans.

In addition, employees who are in positions most likely to interact with third parties are required to complete additional scenario-based training above and beyond our code of conduct training each year. This training, which includes anti-corruption training, is designed to reinforce our policies, procedures and processes that promote ethical interactions. In 2020, more than 99 percent of required employees completed this additional training. Employees who do not complete required ethics and compliance training receive HR discipline as appropriate.

Respecting Privacy



Global concerns about data privacy have proliferated in recent years, as the world becomes more networked and interconnected than ever before. Lilly has a longstanding commitment to data privacy, and we have had a global privacy program in place for many years. Our program is regularly refreshed in response to changes in the privacy landscape, including the introduction of new regulatory requirements and ethical considerations around data privacy.

In recent years, new privacy laws have gone into effect (e.g., the EU's General Data Protection Regulation, the California Consumer Protection Act, Brazil's General Data Privacy law) or were passed for implementation in the near future (e.g., the California Consumer Privacy Rights Act). By passing such laws, governments have sent a strong message underscoring the critical importance of protecting personal information. These expectations are consistent with Lilly's commitment to the ethical management of personal information that is entrusted to us, whether it is that of a customer, an employee or any other individual.

At its core, our privacy program reflects our commitment to being open and honest about how we collect, manage, use and

disclose personal information, and to being intentional about protecting it. It also reflects our intentions to only share personal information with those who are authorized and have a legitimate business need to see it. Our program is overseen by our chief privacy officer who is supported by an international team of dedicated privacy professionals, along with a network of ethics and compliance professionals worldwide. Key components of our program include a principles-based policy supported by an infrastructure of procedures, job aids, training and other materials governing the collection and use of personal information. Our goal at Lilly is to deliver on the promises that we make to individuals – in every business operation, in every location around the world – regarding the ethical use and management of the personal information that we collect and use.

Bioethics

Our investment in bioethics capabilities reflects our company values and purpose to improve people's lives and communities around the world. We were one of the first pharmaceutical companies to establish a standing bioethics committee in 1999. Our [bioethics program](#) is designed to address the increasingly complex and fast-paced ethical challenges of global pharmaceutical research, development and commercialization. Our focus is to protect and advocate for the rights and well-being of research participants and patients as well as the integrity of the scientific process and its applications for health care.

Our bioethics program provides Lilly employees with resources including the [Lilly Bioethics Framework for Human Biomedical Research](#), position papers on major bioethical issues, information on how to request a bioethics consultation, and bioethics education and training opportunities. An internal bioethics website with links to this information is available in nine languages for ease of access by employees around the globe. We also sponsor an annual bioethics lecture. Additionally, our staff and the Bioethics Advisory Committee provide input into policy decisions that have bioethical implications and collaborate externally to establish best practices in applying bioethics across the industry.

Governance of Bioethics

Our bioethics program reports into the chief ethics and compliance officer and works closely with the chief medical officer. Our staff, which has specialized training and expertise, provides education and training for the cross-functional Bioethics Advisory Committee, which includes external bioethics experts. This committee serves as a resource for Lilly employees and is a place where they can seek guidance on bioethics considerations, discuss potential alternative courses of action and receive recommendations on potential paths forward. Throughout these interactions, by applying the principles in the Lilly Bioethics Framework, bioethics contributes to research study design, informed consent processes and content, selection of countries for clinical trial sites, requests for access to investigational treatments outside of clinical trials, animal care and use, engagement of special populations (e.g., pediatrics), as well as timing and content of research publications, among other matters. Learn more about our broader governance of ESG issues [here](#).

Bioethics Program

Our bioethics program has four core activities: consultation, education and training, development of bioethics positions, and collaboration.

Bioethics consultations

Our bioethics staff provides consultations for employees seeking advice regarding bioethics and research ethics issues. Using the Bioethics Framework and bioethics positions, this service is intended to increase awareness about bioethics, empower employees to raise concerns and help them reason through challenging issues. These consultations are in addition to the guidance, discussions and recommendations provided to employees by the Bioethics Advisory Committee.

Bioethics Leadership Academy

The Bioethics Leadership Academy (BELA) provides Lilly employees with a specialized curriculum in bioethics. Employees who are selected to participate in BELA dedicate a portion of their working time to bioethics training. The program focuses on building basic bioethics awareness, the application of bioethics principles to experiential learning and taking part in ongoing bioethics activities and consultations.

Lilly's Bioethics Framework and Positions

Our [Bioethics Framework for Human Biomedical Research](#) and our [Principles of Medical Research](#) provide a bioethics foundation for the company's biomedical research to promote alignment with broadly accepted ethics principles and Lilly's core values of integrity, excellence and respect for people. The framework consists of four basic principles and 13 essential elements for conducting ethical human biomedical research and sits within the context of Lilly's values. Specifying our bioethical responsibilities to stakeholders, the framework also guides the development of bioethics positions on key topics and informs advice provided by

our bioethics committee. Based on this framework, we've developed [position statements](#) on bioethics issues such as expanded access, pediatric medicine and multinational clinical trials, among others.

Fostering Industry Collaboration in Bioethics



In addition to the Bioethics Framework for Human Biomedical Research, we are a founding member and were a driving force behind the establishment of the Biopharmaceutical Industry Bioethics (BIB) Forum. Founded in 2016, the BIB Forum promotes collegial, non-competitive discussions regarding the application of bioethics concepts in the biopharmaceutical industry and sharing of best practices. In 2020, IFPMA established a Bioethics Working Group under its Ethics and Business Integrity Committee (eBIC). Co-led by Lilly, this working group aims to develop industry-wide positions on bioethics topics to establish common principles for behaviors intended to protect patients and research participants. Lilly is also a sponsor of the Multi-Regional Clinical Trials (MRCT) Bioethics Collaborative organized by the MRCT Center of Brigham and Women's Hospital and Harvard.

Protecting Research Subjects' Rights in Clinical Trials

Our bioethics program advocates for the rights and well-being of research subjects and patients who use our medicines. Lilly applies a single global standard to the conduct of medical trials involving human subjects. This standard is based on well-respected ethics guidance and other requirements including:

- The World Medical Association's [Declaration of Helsinki](#)
- The Council for International Organizations of Medical Sciences' [International Ethical Guidelines for Biomedical Research Involving Human Subjects](#)
- The International Conference on Harmonisation's [Guideline for Good Clinical Practice](#)
- The Pharmaceutical Research and Manufacturers of America's [Principles on Conduct of Clinical Trials](#)
- Applicable laws and regulations of the country or countries in which a study is conducted

Our commitment to protecting the rights of research subjects is articulated in two company guidance documents – Principles of Medical Research and Bioethics Framework for Human Biomedical Research – and reflected in company policies, standards and procedures.

Transparency, Disclosure and Political Engagement

We support various transparency initiatives globally, provided that such initiatives are respectful of local laws related to intellectual property, trade secrets, competition and privacy; disclosure of information does not undermine our ability to compete effectively; and information is communicated with appropriate context in an easily understood manner. We seek to collaborate with policy makers, industry colleagues, and key stakeholders to align on approaches that achieve these objectives.

Payments to Physicians and Health Care Organizations



We believe openly reporting financial interactions with health care professionals (HCPs) and health care organizations (HCOs) helps to build trust with patients, caregivers and other key stakeholders.

Lilly collaborates with both HCPs and HCOs, focusing on a key goal: improving the health and quality of people's lives. We believe that being transparent about the nature and extent of these relationships builds trust and benefits patients.

We believe HCPs should be compensated at a fair market rate for their time and expertise, whether they are scientists helping to research a potential new treatment, HCPs advising us on medical and scientific matters or physicians conducting an educational program for us with our peers. By disclosing our financial relationships with both HCPs and HCOs, patients, caregivers and other key stakeholders can better understand the collaborations and interactions between their own medical professionals and Lilly.

In the United States, Lilly follows disclosure requirements at the local, state and federal levels. Lilly adheres to the requirements set forth by the federal law known as the Physician Payment Sunshine Act (also called "Open Payments"), which is part of the broader U.S. Affordable Care Act. It requires certain pharmaceutical (or biopharmaceutical) and medical device manufacturing industries to report certain financial interactions to a defined group of Covered Recipients (as defined in the law). Financial interactions include items such as payments for services provided for research, or food and beverage provided during an educational program.

Lilly reports these financial interactions to the Centers for Medicare and Medicaid Services (CMS). On an annual basis, CMS makes all reported industry financial interactions public in a searchable [Open Payments Database](#). On the site, you can view whether a Covered Recipient has had financial interactions with a biopharmaceutical or medical device manufacturer, including Lilly.

Outside the United States, in addition to adhering to applicable local and national legislated requirements for countries in which we operate, Lilly participates in voluntary disclosure codes led by local or regional trade associations. One such example is the European Federation of Pharmaceutical Industries and Associations (EFPIA), which has established the EFPIA HCP/HCO Disclosure Code as well as the EFPIA Patient Organization Disclosure Code. **Lilly views our commitment to transparency and disclosure as an opportunity to ensure that patients, HCPs, HCOs and business partners feel confident when engaging with Lilly.**

The [EFPIA](#) website has additional information on the HCP/HCO and Patient Organization Codes. You can also view more on [Lilly's commitment to HCP/HCO transparency in Europe](#) or view our [EFPIA Patient Organization Disclosure](#).

- Learn more about Lilly's commitment to [transparency](#)
- Lilly engages in dialogue about ethical interactions directly with members of the health care system and other interested parties through our Ethics and Compliance Hotline, [online](#) or 1-800-815-2481 or speakup@lilly.com or through means provided by disclosure code administrators such as governments and trade associations.
- Learn more about Lilly sharing the results of our clinical trials in the next section, Clinical Trials Data Transparency.

Clinical Trials Data Transparency

Lilly has a history of commitment to the transparency of our clinical studies and we recognize that responsible sharing of clinical study data can enhance public health. Since 2014, Lilly has enhanced our transparency initiatives in alignment with the [PhRMA/EFPIA Principles for Responsible Clinical Trial Data Sharing](#). Currently, Lilly registers and posts results of clinical trials on [clinicaltrials.gov](#) in addition to any legally required clinical trial registries. For Phase 2 and Phase 3 trials that complete in 2019 and beyond, Lilly plans to submit results one year after the completion of the trial regardless of the medicine's approval status.

Lilly makes anonymized patient-level data available from Lilly-sponsored trials on marketed drugs for approved uses following acceptance for publication. Lilly is one of several companies that provide this access through the website [vivli.org](#). Qualified researchers can submit research proposals and request anonymized data to test new hypotheses.

In 2013, Lilly began conducting pilot projects creating summaries of Phase 2 and 3 clinical trial results in patient-friendly language using simple, everyday terms. In 2020, Lilly continued creating plain language summaries of Phase 2-4 clinical trial results and making English versions available to study sites. Lilly is developing a translation process to enable the posting of plain language summaries to the European Union (EU) Portal and Database. For EU portal posting, the summaries will be translated into the local language(s) where the studies took place.

Political and Policy Participation

A comprehensive overview of our political and policy participation can be found [here](#).



Our Governance Approach

Our company was founded nearly 150 years ago on the Lilly family's core values of integrity, excellence and respect for people, and these values continue to guide all that we do today. We are committed to upholding the highest standards of corporate conduct in all business dealings around the world. We believe that a strong system of corporate governance is critical to promoting the long-term interests of our shareholders and other company stakeholders.

Governance Priorities

[Business Ethics](#)[Corporate Governance](#)[Supply Chain Management](#)

Corporate Governance

Management Approach

We are committed to good corporate governance, which promotes the long-term interests of shareholders and other company stakeholders, builds confidence in our leadership and strengthens accountability by the Board of Directors and management. Our Board recognizes that one of its key responsibilities is to ensure that Lilly is governed in a manner that provides both independent oversight and efficient and effective decision-making. Over the years, our Board has instituted a number of governance best practices to ensure effective independent oversight. We believe that it is vitally important to earn the confidence of all our stakeholders as we remain dedicated to our purpose of making lives better around the world. Learn more about the general principles of corporate governance by which Lilly operates in our [Corporate Governance Guidelines](#).

The Board takes an active role in its oversight of our corporate strategy. Each year, the Board and executive management closely examine the company's strategy including key risks and decisions facing the company. Decisions reached are updated throughout the year as the Board reviews the company's financial performance, the performance of our business units and progress in our product pipeline. Our Board and management are also actively engaged 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. We also engage with a variety of stakeholders and incorporate their feedback as appropriate.

Learn more about Lilly's [governance structure, Board of Directors, and Executive Committee here](#).

In This Section

[ESG Governance](#)[Health, Safety and the Environment \(HSE\) Governance](#)

ESG Governance

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

Board Oversight

The Directors and Corporate Governance Committee (DCGC) of the Board is responsible for identifying current and emerging social, environmental, political and governance trends and public policy issues that may affect the business operations, performance or reputation of the company. In addition, the DCGC oversees matters of corporate governance, including Board performance, non-employee director independence and compensation, corporate governance guidelines and shareholder engagement on governance matters. The Directors and Corporate Governance Committee charter is available [here](#).

The Board is engaged in strategic 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.

Additionally, key enterprise level risks are overseen by the full Board and our enterprise risk management process is overseen by the Audit Committee of the Board. Company management is charged with managing risk through robust internal processes and controls. The enterprise level risks are reviewed annually at a full Board meeting, and relevant enterprise risks are also addressed in periodic business function reviews and at the annual Board and senior management strategy session.

ESG Governance Committee

Central to our ESG oversight is our ESG Governance Committee, chaired by our Senior Advisor for Environmental Social and Governance and composed of senior leaders from Health, Safety and the Environment (HSE), Human Resources, Ethics and Compliance, Legal, Treasury, Procurement and Investor Relations. This committee reports to our senior leadership Executive Committee and has a broad ESG mandate that includes leading the coordination of Lilly ESG strategy, evaluating Lilly ESG approach compared to peers and broader environment, leading formal, periodic ESG strategy updates, institutionalizing ESG topics throughout Lilly, and facilitating execution of ESG reporting activities.

Health, Safety and the Environment (HSE) Governance

Health, Safety and the Environment (HSE) management at Lilly is integrated through a formal, company-wide structure, including the following groups, individuals and programs:

- **Global HSE Committee** – Includes senior executives from key areas of the business, the committee ensures proper oversight and plays a central role in monitoring corporate HSE strategy, compliance and performance against goals, as well as continuous improvement
- **Vice President responsible for corporate engineering and global HSE** – A member of the Global HSE Committee works closely with HSE and other functional leaders to ensure an appropriate and thoughtful response to HSE risks and opportunities, monitor emerging and evolving issues, approve appropriate metrics and goals and oversee compliance with all HSE regulations, policies, procedures and standards worldwide
- **Manufacturing HSE Committee** – Supports HSE efforts and drives ongoing improvement throughout manufacturing
- **Process Safety Management Committee** – Ensures Lilly maintains a sustainable, compliant, and industry-leading Process Safety Management & Combustible Dust Program, and sets the strategic direction and continuous improvement plan for reducing process safety risks
- **Pharmaceuticals in the Environment Governance Committee** – Sets strategic direction, provides long-range oversight, supports effective internal collaborations, and recommends resources for the programs that control active pharmaceutical ingredient discharges from manufacturing sites
- **Lilly Research Laboratories HSE Lead Team** – Promotes HSE aspects across research and development
- **Executives and lead teams** - In each of our business groups, as well as manufacturing, Lilly Research Laboratories and general and administrative functions, who oversee performance for HSE in those areas



Lilly has brief, principle-based policy statements that are implemented in two ways:

1. through our global procedures, which describe underlying principles and general expectations; and
2. through our global standards, which provide auditable, detailed requirements.

These key governance documents and our related management systems together detail Lilly's HSE management and performance expectations. Lilly's global policy statements, procedures and standards articulate our commitments and guide our efforts. They include the following:

- **Protecting People, the Environment and Our Assets: Policy Statements** – Sets company-wide expectations for conducting business in a responsible and environmentally sustainable manner, promoting the well-being of employees and protecting the communities in which we operate.
- **Our Global Policy on Protecting People, the Environment and Our Assets:** We strive to maintain a secure workplace and to protect people and the communities in which we operate and serve. We are focused on improving our health and safety practices to promote the well-being of our people. We are committed to conducting business in a responsible and environmentally sustainable manner. We are committed to a robust security culture to protect our people and brand from harm, and our assets from loss, theft or damage. Each of us is responsible for implementing our security practices and applying them in our daily activities.
- **Health, Safety and the Environment:** Global Procedure – Outlines general principles and sets general requirements in the areas of employee responsibility, management responsibilities, business continuity planning and reporting of HSE incidents.
- **Management System Standard** – Defines requirements to ensure a robust process is in place within each part of the organization to effectively manage compliance with Lilly HSE Standards, applicable regulatory requirements and other HSE standards.
- **Environmental Standard** – Establishes requirements to identify and manage the environmental and energy-related aspects of our operations.
- **Health and Safety and Process Safety Standards** – Provides requirements for identifying and evaluating workplace hazards and establishing control measures to eliminate or reduce the risk of injuries and illnesses.
- **Global Engineering Standards** – Establishes requirements for the design and operation of facilities and equipment to ensure compliance with internal and external requirements and responsibly manage environmental aspects of operations.
- **Product Stewardship Standard** – Provides a systematic approach to managing product and process risks throughout the product life cycle, from research and discovery to product end-of-life.

With respect to the importance of climate-related risks, our CDP response provides comprehensive discussion of how the risk of climate change is considered and governed. Read our latest [CDP response](#).

Management Systems

All business areas, including manufacturing, research and development, affiliate locations and general administrative functions, are required to operate with an HSE management system that adheres to the Lilly HSE Standards. The general elements of the Lilly HSE Management System are consistent with third-party standards such as the International Organization for Standardization (ISO) 14001, ISO 45001 and the American Chemistry Council's Responsible Care Management System (RCMS[®]) standards. Our global HSE management system is periodically reviewed by an independent, accredited auditor to ensure it conforms to the RCMS.

Audits

We conduct HSE audits of Lilly sites and functional areas for each of our Global HSE Standards as well as regulatory requirements. Our five-year audit plan is updated annually and identifies which areas to audit each year based on risk, with areas associated with high-risk operations being audited more frequently. This approach results in audits of approximately 20 to 30 percent of our sites and functional areas globally each year. All audit results are shared with senior management, and areas are required to respond to all audit observations and track action plans.



Our Governance Approach

Our company was founded nearly 150 years ago on the Lilly family's core values of integrity, excellence and respect for people, and these values continue to guide all that we do today. We are committed to upholding the highest standards of corporate conduct in all business dealings around the world. We believe that a strong system of corporate governance is critical to promoting the long-term interests of our shareholders and other company stakeholders.

Governance Priorities

[Business Ethics](#)
[Corporate Governance](#)
[Supply Chain Management](#)

Supply Chain Management

SASB Disclosures Covered: [Supply Chain Management](#) (HC-BP-430a.1)

Management Approach

Ensuring our high-quality medicines are available wherever and whenever patients need them is one of our top priorities. We are committed to maintaining the safety and integrity of our medicines, which begins with the procurement of materials and extends throughout the production process. Through integration of Lilly-owned facilities and external suppliers, we aim to manufacture our medicines in an efficient, effective and safe manner. The Lilly Quality System supports this integration and is the foundation for our quality standards and processes throughout the product development life cycle, including auditing and assessing third-party risk.

In addition to our efforts internally, we promote strong health, safety and the environment (HSE) practices with our suppliers and contract manufacturers (CMOs). We also work to mitigate [counterfeit medicines](#) and ensure we comply with governmental efforts around conflict minerals.

As with most businesses, we know that a significant portion of Lilly's environmental and social impact is embedded in our supply chain. We are committed in policy and action to helping our suppliers and CMOs continuously improve. This includes reducing environmental impacts like climate, water and waste, as well as improving social impacts like safety and diversity and inclusion (D&I).

We believe that doing business with a diverse set of suppliers also helps Lilly accelerate innovation and deliver strong results. We seek out fresh perspectives and insights by partnering with minority group members (MGMs), women-owned and small businesses to meet our wide range of internal and external needs.

In This Section

Supply Chain Governance

Third-Party Risk Management

Partnerships and Leadership

Supplier Diversity

Supply Chain Governance

We view our supply chain as an extension of our operations and strive to instill our company's operating principles within our supplier network. We support the United Nations Global Compact (UNGC) principles, adhere to human rights and labor laws, comply with anti-corruption practices, endeavor for a diverse supplier base and promote sustainability efforts designed to minimize our environmental impact.

We rely on our suppliers and contract manufacturing operations (CMOs), including those that supply us with research and development materials and active pharmaceutical ingredients (APIs), to ensure the ongoing availability of our medicines. As our manufacturing base has grown, we've taken significant steps designed to reduce our exposure to risks inherent in managing a global supply chain.

We continue to strengthen efforts to monitor our supply chain for quality and HSE events and risks. We institute additional procedures for monitoring suppliers we consider to pose higher risks, and we intervene quickly when appropriate. Both quality and HSE considerations are integrated into Lilly's process for evaluating potential new contract manufacturers, and formal assessments are conducted routinely for existing contract manufacturers.

We have also taken steps to educate and engage our suppliers directly on HSE issues and to help them build expertise around HSE topics. This includes our ongoing work as part of the [Pharmaceutical Supply Chain Initiative](#) (PSCI), a non-profit business membership organization founded in 2006, which counts Lilly as one of its inaugural members. In 2020, Lilly HSE professionals led the Industrial Hygiene PSCI supplier capability building sub-committee and served on several of PSCI's supplier capability building committees. PSCI, along with its member companies, created and maintains the [Pharmaceutical Industry Principles for Responsible Supply Chain Management](#) (the PSCI Principles). The PSCI Principles provide our industry with consistent supplier performance standards in the areas of ethics, labor, health and safety, the environment and related management systems. At Lilly, we have aligned several codes, policies and procedures with the PSCI Principles including:

- Internal product stewardship requirements that detail our approach to managing risk across the supply chain, and address our supply chain due diligence and supplier HSE risk assessment and management practices. Learn more [here](#)
- The Lilly [Supplier Code of Business Conduct](#), which applies to all suppliers
- Relevant procurement standards
- Standard contract language applicable to providers of contract manufacturing services

Additional information on HSE governance can be found [here](#).

Conflict Minerals



We are concerned with [human rights](#) violations that occur throughout the world. This includes the ongoing conflict in the Democratic Republic of Congo (DRC) and surrounding countries which is understood to be financed in part by the mining and trade of certain minerals, including tungsten, tantalum, tin and gold. We are committed to ensuring that we understand our supply chain and the potential upstream impacts of our supply and purchasing decisions as they relate to the minerals at issue.

From 2014 to 2020, Lilly filed annual reports with the U.S. Securities and Exchange Commission (SEC) relating to the conflict minerals rule. As a part of this reporting process, we examine the raw material content of all of our global commercial products and seek to identify their origin and source. Our goal is to develop a better understanding of our supply chain and avoid the inadvertent support of businesses associated with human rights violations.

Our expectation is that our suppliers source their materials responsibly and abstain from procuring materials from areas or sources that might promote conflict in the DRC. We expect our suppliers to conduct their own due diligence regarding the source of any materials they provide to us in order to ensure those materials are conflict-free. We filed our latest conflict minerals disclosure documents with the SEC in May 2020.

We are committed to understanding the origin of these materials and will take appropriate action to avoid the inadvertent support of businesses associated with human rights violations.

Third-Party Risk Management

As a part of our business model, we engage with third parties (e.g., suppliers, customers, collaborators) to provide differentiated services, focus on core competencies, achieve cost savings and gain operating efficiencies. Working with third parties may increase potential risks such as service disruptions, data and security breaches, reputational harm, penalties and fines. Mitigating potential risks and protecting Lilly's reputation is a company-wide responsibility which includes third party participation.

With leadership from a centralized Center of Excellence, we have established a third-party risk management program focused on identifying and managing potential risks posed to the organization by working with third parties. Lilly's program has five foundational operating model components: Governance and Delivery Model, Policies and Standards, Management Processes, Tools and Technology and Risk Metrics and Reporting. The centralized program will launch in 2021 with Suppliers and focused on four risk areas: Anti-Corruption, Information Security, Privacy, and Information Systems Quality. Additional risks and third-party types will be phased in as the program evolves.

Assessing and Auditing Third-Party Operations

To ensure we meet the expectations of the Lilly Quality System, our Global Quality Auditing and Compliance Team conducts annual risk-based audits to oversee both internal Lilly manufacturing sites and external third-party operations. We regularly evaluate these audits to identify any areas for improvement. Lilly manufacturing sites conduct internal risk analyses of each purchased material (raw materials, packaging materials, GMP consumables) based on global quality standards. The risk analyses evaluate the supplier, complexity of the supply chain and how the material will be used at our internal sites to determine an overall risk classification. The overall risk classification helps inform the actions needed to approve the new supplier, and the ongoing requirements that we will apply to the supplier. We have similar quality standards and oversight activities for contract manufacturers as well.

For managing Health Safety and Environmental risks, our manufacturing procurement contracts ask suppliers to support the PSCI Principles and conform to the HSE expectations outlined in our Supplier Code of Business Conduct. Standard contract language also requires that manufacturing suppliers, if requested by Lilly, agree to submit to audits that assess compliance with the principles.

Partnerships and Leadership

We are an active member of external associations and consortiums aimed at enhancing the security, quality and safety of pharmaceutical supply chains. Team members of Lilly's Global Quality Auditing and Compliance group actively participate in [Rx-360](#) and [International Pharmaceutical Excipients Council](#) (IPEC) working groups to provide input into industry guidelines and standards and align our processes with our peers. We currently hold a seat on the Board of Directors at Rx-360 and participate in all nine of the consortium's working sub-groups to help ensure we stay informed of and help set industry best practices. During 2020, we increased our use of Rx-360 Supplier Audit Reports to supplement our internal audit plan during high demand periods and when we were not able to audit suppliers due to the ongoing COVID-19 pandemic. This allowed for improved risk evaluation to help protect our patients around the world. Some highlights of our involvement with Rx-360 include:

- At the end of 2019, due to Lilly's leading role driving Rx-360's mission of pharmaceutical supply chain security and patient safety, Lilly was recognized as the Company of the Year by Rx-360 during its annual member meeting.
- In 2020, Lilly co-authored a [Remote Audit Best Practice Guide](#) for members to utilize as they face difficulties in auditing supply chains due to the COVID-19 pandemic.

Supplier Diversity

We believe that doing business with a diverse set of suppliers helps the company accelerate innovation and deliver strong results. By actively seeking out the fresh perspectives and insights of diverse and small businesses to meet our needs across the value chain, we strengthen both our own company and firms across our supply chain.

A supplier is considered diverse when at least 51% ownership and control are held by a minority group member (MGM), a woman, someone who is LGBTQ or disabled. Small suppliers are defined by the U.S. Small Business Administration's (SBA's) [small business size standards](#).

Given the importance of advancing supplier diversity, we have developed a comprehensive strategy comprising three key elements: clear enterprise goals to increase spend with small and diverse suppliers, community engagement and compliance with government goals.

We met or exceeded our targets for five of the six government categories in 2020 despite many challenges posed by the COVID-19 pandemic. We continued to mentor small and diverse suppliers by expanding support programs with the aim of helping our suppliers build stronger business practices. We hosted multiple virtual matchmaking events to connect qualified suppliers with our procurement professionals and to enhance our partnership with advocacy groups.

In 2020, we spent more than \$519 million with 1,223 suppliers classified as small businesses. We spent \$585 million with 492 suppliers, large or small, who were classified as diverse, woman-owned and/or LGBTQ-owned businesses. During its most recent audit in 2016, the U.S. Small Business Administration recognized Lilly's efforts to promote and maintain supplier diversity as "outstanding" –the highest possible rating.

2020 Supplier Diversity Data



\$1.4 billion

in total economic impact through Lilly's supplier diversity program

Exhibit D

[Copy Public Policy Website]

Public Policy

Lilly supports making medicines more accessible and affordable to patients. Lilly advocates for improvements to the U.S. health care system that align to our core principles of:

1. encouraging and protecting innovation;
2. fairness and transparency in the biopharma industry and all of health care; and
3. lowering costs at the pharmacy counter for patients who use our medicine.



Health Care System

Changes in the U.S. health care system have created greater consumer cost-sharing and a growing number of patients exposed to a medicine's full retail price – effectively shifting the burden onto the sick to subsidize the healthy. Broader systemic change is needed, which requires action by all relevant stakeholders.

We need to restructure the financial incentives of the entire pharmaceutical supply chain to ensure patients benefit with access to safe and affordable medicines.

Lilly is actively working with other key stakeholders to seek long-term policy solutions to address the gaps in our current health care system. **We remain committed to finding solutions – both legislative and non-legislative – that will help people with chronic diseases have affordable access to their medicine.**

To learn more about the U.S. health care system and Lilly's positions, view the resources below.

- [Driving Innovation in Employer Health Benefit Design White Paper](#)
- Lilly's [2018 Integrated Summary Report](#)
- [Trends in Health Care: High Deductible Health Plans](#)
- [Trends in Health Care: First Dollar Coverage](#)
- Dave Ricks' *USA Today* [opinion column](#) about rebate reform, "Rebate rule would help make prescriptions more affordable for more patients"
- [PhRMA's Response](#) to U.S. Health and Human Services Department on the Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs



Value-Based Arrangements

Lilly believes that value-based arrangements have the potential to improve patient outcomes while lowering costs for the entire health care system. Payments for most medicines are still based on traditional outcomes, such as volume of product purchased or cost per unit. We believe the price of medicines should be linked more directly to patient outcomes.

Further, we think this is one of the most important long-term changes we can make as an industry. We want to create a system here in the United States in which pharmaceutical innovators are rewarded – not for selling their product, but for the value it delivers inside the health care system.

We strongly believe that outdated policies and regulations should not prevent the development of new, better ways to pay for medicines. We continue to advocate for legislative and regulatory changes that support this transition. See additional resources:

- Lilly/Prime Therapeutics [White Paper](#): "Advancing Patient Interests Through Value-Based Arrangements for Prescription Drugs"
- Lilly/Anthem [White Paper](#): "Promoting Value-Based Contracting Arrangements"
- What are [Value-Based Arrangements](#)?



Drug Importation

It may sound like an easy fix but importing drugs from Canada or any other country will not help Americans struggling to pay for their medicines. Importing drugs is a risky practice, as these drugs are not inspected for safety and efficacy as they are in the United States. Imported drugs do not go through the same rigorous process as U.S. Food and Drug Administration (FDA) review, and are often sold through dangerous, unregulated and illegitimate online pharmacies.

Instead, efforts should focus on addressing the root of the problem. Changes in the U.S. health care system have created greater consumer cost-sharing and a growing number of patients exposed to a medicine's full retail price – effectively shifting the burden onto the sick to subsidize the healthy. Broader systemic change is needed, which requires action by all relevant stakeholders. We need to restructure the financial incentives of the entire pharmaceutical supply chain to ensure patients benefit with access to safe and affordable medicines at their pharmacy counter here at home. See additional resources:

- [Drug Importation 101](#)
- PhRMA: [Medicine Safety and Drug Importation](#)



Intellectual Property

Strong intellectual property (IP) protections are one way we encourage innovators to focus on difficult problems like untreatable medical diseases. They are the bedrock for developing new treatments and cures, and are critical to improving patient care, spurring innovation and strengthening our economy. Without strong IP protections, innovation would mostly focus on low-risk ventures, leaving large swaths of unmet medical needs.

IP protections recognize the time, cost and uncertainty related to the research-and-development process for medicines, and the

substantial investment required for FDA approval. Two important forms of IP protections for medicines are:

- Patents, granted in the U.S. by the U.S. Patent and Trade Office (PTO), give inventors the exclusive right to their inventions without others being able to copy and sell them for a set period of time (20 years from the application date of the patent); and
- Data exclusivity, granted in the U.S. by the FDA, which prohibits third parties for a set period of time from using or relying on an innovator's valuable clinical trial data to obtain FDA approval for their product.

Additionally, read [Dave Ricks' Financial Times opinion column](#) about IP, titled "The search for a dementia cure rests on innovators," and view Lilly's infographic about the [importance of IP in the biopharmaceutical research ecosystem](#).



Pricing and Access

For Lilly, expanding affordable access to medicines is a priority. One aspect of this is setting the list prices for our medicines. Pricing our medicines is one of the most important decisions we make as a company. We strike a balance between access and patient affordability, while sustaining investments to research innovative life-changing treatments for some of today's most serious diseases. When pricing our medicines, we consider:

- **Customer Perspective:** the unmet needs those medicines can fulfill for patients and caregivers, and how people can affordably access the treatment
- **Competitive Landscape:** the benefits of our medicines compared to alternative therapies, where our medicines fit in treating conditions, and existing contacts between payers and our competitors
- **Company Considerations:** the cost of research, development, manufacturing and support services for customers; business trends and other economic factors; as well as the medicine's potential market size, patent life and place within our larger portfolio of medicines
- **Other External Factors:** other external factors such as health system changes and policy guidelines

Additionally, reference Lilly's [2019 Integrated Summary Report](#).

Lilly recognizes that many patients face increasing costs and other barriers to accessing the treatments they need. When you're living with a serious condition, or caring for someone who has one, it's imperative to access the right medicine at the right time. We are committed to working with our health system partners to help ensure access to our medicines. Lilly strives to do its part to ensure access through the following guiding principles:

- **Flexibility:** Every medicine involves unique access challenges that are shaped by the broader category of the medicine. Lilly is flexible to develop solutions that solve for distinct issues.
- **Broadening Responsibilities:** As an innovative medicines' manufacturer, Lilly may need to extend its responsibility beyond developing medicines to help ensure that they can be accessible to patients. Lilly extends its responsibility where it is needed, to do the right thing by patients and more deeply support access.
- **Collaboration:** Solving access challenges in today's complex health care environment requires leadership and cooperation from many stakeholders to find sustainable solutions that work. Lilly uses its position as a large manufacturer of medicines to convene broader stakeholders and encourage cooperation and collaboration to create lasting solutions.



Biosimilars

Lilly supports the development and approval of new medical technology such as biosimilars that can benefit patients. However, given the difficulty and complexity of developing and manufacturing biological products, policies for approval of these products with an abbreviated data package must proceed carefully with patient safety at the forefront and respect for the innovator's intellectual

property. Biosimilar products have an important role to play in the health care system for the benefit of patients, provided that they are approved based on rigorous, science-based standards. Clinical evidence must be at the foundation of all decisions.

- Science-based regulatory reviews should determine if biosimilars meet interchangeability standards.
- Patients should receive the medicines their doctor prescribes.
- Only interchangeable biosimilars should be eligible for automatic substitution by pharmacies.
- Small differences in biological medicines' manufacturing processes can cause difficult-to-predict changes in safety and efficacy.
- Countries with insufficient regulatory standards produce products that pose a risk to patient safety and should not be considered as a "biosimilar."
- Biologics and biosimilars should have unique, differentiating names.
- Strong laws for data exclusivity and patent protection strike the balance between patient access and innovation of new medicines.

Additional resources:

- [Summary of Lilly's Position on Biosimilars](#)
- Biologics vs. Biosimilars [Infographic](#)
- Biologics vs. Biosimilars [Video](#)

Exhibit E

[Copy of 2020 Report of Political Financial Support]



43 Years of Helping Create an Environment Where Innovation Thrives



REPORT OF
POLITICAL
FINANCIAL
SUPPORT
2020



HOW LILLYPAC DECIDES WHO TO SUPPORT

LillyPAC invests donations in candidates who:

- Have a voting record or announced positions on issues important to Lilly;
- Have demonstrated leadership on key committees of importance to our business;
- Show a potential for legislative leadership;
- Are dedicated to improving the relationship between business and government; or
- Represent a state or district where Lilly has a facility or large concentration of employees in a district or state.

LillyPAC does not consider the candidate's political affiliation. Also, LillyPAC does not consider the candidate's position on issues that do not impact the company or its business environment.



Federal Contribution Limits

\$5,000 per primary and general election to a federal candidate's campaign committee.

\$15,000 per calendar year to each national party committee, such as the Democratic and Republican national, senatorial and congressional campaign committees.

\$5,000 per year to a federal incumbent's leadership PAC. Leadership PACs may be sponsored by members of Congress to support other candidates from their political party. These are separate from a member's campaign committee.

\$5,000 per year to a state or local party committee.

Contribution limits to state or local candidates and committees vary by state.

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Jones, Doug	Doug Jones for Senate Committee	AL	D	U.S. Senate	\$2,500
Cheatham, Eddie	Committee To Re-Elect Eddie Cheatham	AR	D	State Senate	\$400
Fite, Charlene	Committee To Re-Elect Representative Charlene Fite	AR	R	State House	\$300
Gilmore, Ben	Ben Gilmore for State Senate	AR	R	State Senate	\$300*
Ladyman, Jack	Committee To Re-Elect Representative Jack Ladyman	AR	R	State House	\$400
Magie, Steve	Committee To Re-Elect Representative Steve Magie	AR	D	State House	\$300
Wing, Carlton	Campaign To Re-Elect Carlton Wing	AR	R	State House	\$300
Brophy McGee, Kate	Kate Brophy McGee Senate	AZ	R	State Senate	\$500
Hernandez, Alma	Alma for Arizona	AZ	D	State House	\$500
Rios, Rebecca	Rebecca Rios 2020	AZ	D	State Senate	\$500
Sinema, Kyrsten	Sinema for Arizona	AZ	D	U.S. Senate	\$5,000
Arambula, Joaquin	Joaquin Arambula for Assembly 2020	CA	D	State House	\$4,700
Atkins, Toni	Re-Elect Senator Atkins 2020	CA	D	State Senate	\$2,000
Barragan, Nanette	Barragan for Congress	CA	D	U.S. House	\$2,500
Bera, Ami	Bera for Congress	CA	D	U.S. House	\$1,000
Boerner Horvath, Tasha	Tasha Boerner Horvath for Assembly 2020	CA	D	State House	\$1,000
Burke, Autumn	Autumn Burke for Assembly 2020	CA	D	State House	\$1,500
Caballero, Anna	Anna Caballero for Senate 2022	CA	D	State Senate	\$1,000
Calderon, Lisa	Lisa Calderon for Assembly 2020	CA	D	State House	\$1,000
Cardenas, Tony	Tony Cardenas for Congress	CA	D	U.S. House	\$2,500
Carrillo, Wendy	Wendy Carrillo for Assembly 2020	CA	D	State House	\$1,000
Chang, Ling Ling	Ling Ling Chang for Senate 2020	CA	R	State Senate	\$1,000
Cooper, Jim	Jim Cooper for Assembly 2020	CA	D	State House	\$1,500
Correa, J. Luis	Lou Correa for Congress	CA	D	U.S. House	\$2,500
Cunningham, Jordan	Jordan Cunningham for Assembly 2020	CA	R	State House	\$2,000
Dahle, Megan	Megan Dahle for Assembly 2020	CA	R	State House	\$1,000
Daly, Tom	Tom Daly for Assembly 2020	CA	D	State House	\$4,700
Flora, Heath	Heath Flora for Assembly 2020	CA	R	State House	\$1,000
Fong, Vince	Vince Fong for Assembly 2020	CA	R	State House	\$1,000
Frazier, Jim	Jim Frazier for Assembly 2020	CA	D	State House	\$1,000
Glazer, Steven	Glazer for Senate 2020	CA	D	State Senate	\$1,500
Gray, Adam	Gray for Assembly 2020	CA	D	State House	\$4,700
Grayson, Tim	Tim Grayson for Assembly 2020	CA	D	State House	\$1,500
Grove, Shannon	Grove for Senate 2022	CA	R	State Senate	\$1,500
Hurtado, Melissa	Hurtado for Senate 2022	CA	D	State Senate	\$1,000
Malenschein, Brian	Malenschein for Assembly 2020	CA	D	State House	\$1,000
Mayes, Chad	Chad Mayes for Assembly 2020	CA	I	State House	\$4,700
Mullin, Kevin	Kevin Mullin for Assembly 2020	CA	D	State House	\$1,000
Nazarian, Adrin	Nazarian for Assembly 2020	CA	D	State House	\$1,500
Nguyen, Janet	Janet Nguyen for Assembly 2020	CA	R	State House	\$1,000

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Quirk-Silva, Sharon	Sharon Quirk-Silva for Assembly 2020	CA	D	State House	\$1,000
Ramos, James	Re-Elect James Ramos for Assembly 2020	CA	D	State House	\$1,000
Rendon, Anthony	Rendon for Assembly 2020	CA	D	State House	\$1,500
Rivas, Robert	Robert Rivas for Assembly 2020	CA	D	State House	\$1,000
Rodriguez, Freddie	Rodriguez for Assembly 2020	CA	D	State House	\$1,500
Rubio, Blanca	Blanca Rubio for Assembly 2020	CA	D	State House	\$2,000
Rubio, Susan	Susan Rubio for Senate 2022	CA	D	State Senate	\$2,000
Ruiz, Raul	Dr. Raul Ruiz for Congress	CA	D	U.S. House	\$3,000
Salas, Rudy	Rudy Salas for Assembly 2020	CA	D	State House	\$2,000
Sanchez, Linda	Stand with Sanchez	CA	D	U.S. House	\$2,000
Waldron, Marie	Waldron for Assembly 2020	CA	R	State House	\$1,500
Ward, Chris	Chris Ward for Assembly 2020	CA	D	State House	\$4,700
Weber, Shirley	Dr. Weber for Assembly 2020	CA	D	State House	\$1,000
Wood, Jim	Jim Wood for Assembly 2020	CA	D	State House	\$1,000
	Restore Colorado Leadership Fund	CO	R	State PAC	\$1,500
	Senate Majority Fund	CO	R	State PAC	\$1,500
	Democratic Congressional Campaign Committee	DC	D	National Party Committee	\$15,000
	Democratic Senatorial Campaign Committee	DC	D	National Party Committee	\$15,000
	Moderate Democrats PAC	DC	D	Federal PAC	\$5,000
	National Republican Congressional Committee	DC	R	National Party Committee	\$15,000
	National Republican Senatorial Committee	DC	R	National Party Committee	\$15,000
	New Democrat Coalition Action Fund	DC	D	Federal PAC	\$5,000
Carney, John	Friends for John Carney	DE	D	Governor	\$600
Carper, Thomas	Carper for Senate	DE	D	U.S. Senate	\$2,500
McBride, David	Committee To Re-Elect Dave McBride	DE	D	State Senate	\$250
Buchanan, Vern	Vern Buchanan for Congress	FL	R	U.S. House	\$1,500
Murphy, Stephanie	Stephanie Murphy for Congress	FL	D	U.S. House	\$4,000
Rubio, Marco	Reclaim America PAC	FL	D	U.S. Senate	\$2,500
Shalala, Donna	Donna Shalala for Congress	FL	D	U.S. House	\$1,000
Wasserman-Schultz, Debbie	Democrats Win Seats PAC	FL	D	U.S. House	\$2,500
Carter, Buddy	Buddy Carter for Congress	GA	R	U.S. House	\$2,500
Duncan, Geoff	Duncan for Georgia	GA	R	Lt. Governor	\$2,000*
Jones, Burt	Burt Jones for Georgia	GA	R	State Senate	\$1,000*
Perdue, David	Perdue for Senate	GA	R	U.S. Senate	\$5,000
Hirono, Mazie	Friends of Mazie Hirono	HI	D	U.S. Senate	\$1,500
Dawson, Dan	Dan Dawson for State Senate	IA	R	State Senate	\$500
Grassley, Pat	Citizens for Pat Grassley	IA	R	State House	\$750
Lundgren, Shannon	Lundgren for House	IA	R	State House	\$500
Petersen, Janet	Petersen for State Senate	IA	D	State Senate	\$500

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Prichard, Todd	Iowans for Prichard	IA	D	State House	\$500
Sweeney, Annette	Sweeney for Senate	IA	R	State Senate	\$500
Whitver, Jack	Friends of Whitver	IA	R	State Senate	\$1,000
Windschitl, Matt	Win with Windschitl	IA	R	State House	\$750
	Crapo Victory Committee	ID	R	Joint Fundraising Committee	\$2,500
Crapo, Mike	Freedom Fund	ID	R	U.S. Senate	\$2,500*
Brady, Dan	Friends of Dan Brady	IL	R	State House	\$1,000
Burke, Kelly	Friends of Kelly M. Burke	IL	D	State House	\$1,000*
Bush, Melinda	Friends of Melinda Bush	IL	D	State Senate	\$500
Butler, Tim	Friends of Tim Butler	IL	R	State House	\$500
Conroy, Deborah	Friends of Deborah Conroy	IL	D	State House	\$500
Crespo, Fred	Citizens for Fred Crespo	IL	D	State House	\$1,000
D'Amico, John	Friends of John C. D'Amico	IL	D	State House	\$1,000
Davis, William	William Davis for State Representative	IL	D	State House	\$1,000
DeLuca, Anthony	Friends for State Rep Anthony DeLuca	IL	D	State House	\$500
Demmer, Tom	Team Demmer	IL	R	State House	\$1,000
DiSanto, John	Disanto for Senate	IL	R	State Senate	\$500
Duckworth, Tammy	Tammy for Illinois	IL	D	U.S. Senate	\$1,500
Durkin, James	Citizens for Durkin	IL	R	State House	\$5,000
Gabel, Robyn	Friends of Robyn Gabel	IL	D	State House	\$500
Gillespie, Ann	Citizens for Ann Gillespie	IL	D	State Senate	\$500
Harmon, Don	Friends of Don Harmon	IL	D	State Senate	\$5,000
Harris, Greg	Citizens for Gregory Harris	IL	D	State House	\$1,000
Hernandez, Elizabeth	Citizens for Elizabeth Hernandez	IL	D	State House	\$500
Hoffman, Jay	Committee To Elect Jay C. Hoffman	IL	D	State House	\$1,000
Holmes, Linda	Citizens for Linda Holmes	IL	D	State Senate	\$500
Jones, Thaddeus	Jones for State Representative	IL	D	State House	\$2,000
LaHood, Darin	Lahood for Congress	IL	R	U.S. House	\$4,000
Manar, Andy	Friends of Andy Manar	IL	D	State Senate	\$500*
Manley, Natalie	Friends of Natalie Manley	IL	D	State House	\$500
Mayfield, Rita	Friends of Rita Mayfield	IL	D	State House	\$1,000
Munoz, Antonio	Citizens for Antonio 'Tony' Munoz	IL	D	State Senate	\$3,000
Raoul, Kwame	Raoul for Illinois	IL	D	Attorney General	\$2,500*
Rezin, Sue	Friends of Sue Rezin	IL	R	State Senate	\$1,000
Robinson, Lamont	Friends To Elect Lamont Robinson	IL	D	State House	\$500
Schneider, Bradley	Schneider for Congress	IL	D	U.S. House	\$2,000
Smith, Nicholas	Friends of Nicholas Smith	IL	D	State House	\$1,000
Thapedi, Andre	Citizens To Elect Andre Thapedi	IL	D	State House	\$500*
Walsh, Lawrence	Friends of Larry Walsh Jr.	IL	D	State House	\$500
Weinzapfel, Jonathan	Weinzapfel for Indiana	IL	D	State Attorney General	\$1,000
Willis, Kathleen	Friends To Elect Kathleen Willis	IL	D	State House	\$1,000

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Austin, Terri	Committee To Elect Terri Austin	IN	D	State House	\$500
Banks, James	Jim Banks for Congress, Inc.	IN	R	U.S. House	\$2,000
Behning, Robert	Committee To Elect Robert Behning	IN	R	State House	\$1,000
Braun, Mike	Mike Braun for Indiana	IN	R	U.S. Senate	\$1,000*
Bray, Rodric	Rodric D. Bray for State Senate	IN	R	State Senate	\$5,000
Breaux, Jean	Breaux for Indiana	IN	D	State Senate	\$1,000
Bucshon, Larry	Bucshon for Congress	IN	R	U.S. House	\$2,500
Bucshon, Larry	HeartDocPAC	IN	R	U.S. House	\$2,500
Carson, Andre	Andre Carson for Congress	IN	D	U.S. House	\$5,000
Cherry, Bob	Committee To Elect Bob Cherry	IN	R	State House	\$1,000
Crider, Michael	Citizens for Crider	IN	R	State Senate	\$1,000
Crouch, Suzanne	Friends of Suzanne Crouch	IN	R	Lt. Governor	\$1,000
DeLaney, Ed	Ed DeLaney for Our House	IN	D	State House	\$1,000
Ford, J.D.	Friends To Elect J.D. Ford	IN	D	State Senate	\$1,000
GiaQuinta, Phil	GiaQuinta for State Representative	IN	D	State House	\$2,000
Hogsett, Joe	Hogsett for Indianapolis	IN	D	Mayor-Indianapolis	\$5,000
Holcomb, Eric	Eric Holcomb for Indiana	IN	R	Governor	\$16,000
Hollingsworth, Trey	Trey for Congress	IN	R	U.S. House	\$1,000
Huston, Todd	Todd Huston for State Representative	IN	R	State House	\$10,000
Johnson, Robert	Johnson for House	IN	D	State House	\$1,000
Kirchhofer, Cindy	Cindy for State House Committee	IN	R	State House	\$2,000
Lanane, Timothy	Committee To Elect Senator Tim Lanane	IN	D	State Senate	\$1,000
Melton, Eddie	Friends of Eddie Melton	IN	D	State Senate	\$1,000
Messmer, Mark	Markmessmer.com	IN	R	State Senate	\$2,000
Mishler, Ryan	Mishler for State Senate	IN	R	State Senate	\$1,000
Moed, Justin	Neighbors for Justin Moed	IN	D	State House	\$1,000
Mrvan, Frank	Mrvan for Congress	IN	D	U.S. House	\$2,000
Pence, Gregory	Greg Pence for Congress	IN	R	U.S. House	\$2,000
Porter, Gregory	Gregory W. Porter for State Representative District 96	IN	D	State House	\$2,000
Pryor, Cherrish	Committee To Elect Cherrish Pryor	IN	D	State House	\$1,000
Rokita, Todd	Todd Rokita Election Committee	IN	R	State Attorney General	\$1,000
Ruckelshaus, John	Hoosiers for Ruckelshaus	IN	R	State Senate	\$1,000
Saunders, Tom	Friends of Tom Saunders	IN	R	State House	\$500
Shackleford, Robin	Shackleford for House	IN	D	State House	\$2,000
Spartz, Victoria	Victoria Spartz for Congress	IN	R	U.S. House	\$1,000
Speedy, Mike	Friends for Mike Speedy	IN	R	State House	\$1,000
Summers, Vanessa	Vanessa J. Summers for State Representative	IN	D	State House	\$1,000
Torr, Jerry	Torr for Representative Committee	IN	R	State House	\$1,000
Walorski, Jackie	Walorski for Congress, Inc.	IN	R	U.S. House	\$10,000
Young, Todd	Oorah! Political Action Committee	IN	R	U.S. Senate	\$5,000
	Indiana Democratic Party	IN	D	State Party Committee	\$4,000

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Baumgardner, Molly	Molly for Kansas Senate	KS	R	State Senate	\$500
Estes, Ron	Ron Estes for Congress	KS	R	U.S. House	\$1,000
Landwehr, Brenda	Brenda Landwehr for State Representative	KS	R	State House	\$500
Masterson, Ty	Ty Masterson for Kansas	KS	R	State Senate	\$500
Warren, Kellie	Kellie Warren for Kansas	KS	R	State Senate	\$500
Guthrie, Brett	Guthrie for Congress	KY	R	U.S. House	\$2,500
McConnell, Mitch	Bluegrass Committee	KY	R	U.S. Senate	\$2,500
Bagley, Lawrence	Larry Bagley Campaign Committee	LA	R	State House	\$500
Bernard, Louie	Louie Bernard for Senate	LA	R	State Senate	\$500
Boudreaux, Gerald	Gerald Boudreaux Campaign Committee	LA	D	State Senate	\$500
Cathey, Stewart	Stewart Cathey Jr. Campaign	LA	R	State Senate	\$500
Luneau, Jay	Jay Luneau for Senate	LA	D	State Senate	\$500*
McMath, Patrick	Patrick Moore McMath Campaign Fund	LA	R	State Senate	\$500
Mills, Robert	Robert Mills Campaign Fund	LA	R	State Senate	\$500
Scalise, Steve	Scalise Leadership Fund	LA	R	U.S. House	\$5,000
Turner, Christopher	Chris Turner Campaign Committee	LA	R	State House	\$500
Neal, Richard	The Madison PAC	MA	D	U.S. House	\$10,000
Augustine, Malcolm	Friends of Malcolm Augustine	MD	D	State Senate	\$250
Charles, Nick	Friends for Nicholas Charles	MD	D	State House	\$250
Feldman, Brian	Citizens for Brian Feldman	MD	D	State Senate	\$500
Ferguson, William	Citizens for Bill Ferguson	MD	D	State Senate	\$1,000
Harris, Andy	Andy Harris for Congress	MD	R	U.S. House	\$1,000
Hershey, Stephen	Friends of Steve Hershey	MD	R	State Senate	\$500
Hoyer, Steny	Ameripac: The Fund for a Greater America	MD	D	U.S. House	\$10,000
Jennings, J.B.	Friends of J.B. Jennings	MD	R	State Senate	\$500
Lewis, Robbyn	Friends of Robbyn Lewis	MD	D	State House	\$250
Morgan, Matthew	Citizens for Matt Morgan	MD	R	State House	\$300
Pendergrass, Shane	People for Shane E. R. Pendergrass	MD	D	State House	\$250
Reilly, Edward	Friends of Big Ed Reilly	MD	R	State Senate	\$500
Szeliga, Kathy	Friends of Kathy Szeliga	MD	R	State House	\$250
	Blue Dog PAC	MD	D	Federal PAC	\$5,000
Fecteau, Ryan	Fecteau for Leadership	ME	D	State House	\$250*
	House Democratic Campaign Committee	ME	D	State Party Committee	\$1,000
	House Republican Fund	ME	R	State Party Committee	\$1,000
	Maine Senate Republican Majority	ME	R	State Party Committee	\$1,000
	Still Fed Up with Taxes	ME	R	State PAC	\$250
Alexander, Julie	Julie Alexander for State Representative	MI	R	State House	\$500
Bizon, John	Committee To Elect Dr. John Bizon	MI	R	State Senate	\$2,000
Calley, Julie	Committee To Elect Julie Calley	MI	R	State House	\$500
Hall, Matt	Matt Hall for State Representative	MI	R	State House	\$500
Hornberger, Pamela	CTE Pamela Hornberger	MI	R	State House	\$500

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Lilly, Jim	Friends of Jim Lilly	MI	R	State House	\$1,000
MacGregor, Peter	Committee To Elect Peter MacGregor for State Senate	MI	R	State Senate	\$1,000
Peters, Gary	Peters for Michigan	MI	D	U.S. Senate	\$2,500
Shirkey, Mike	Committee To Elect Mike Shirkey State Senate	MI	R	State Senate	\$1,000
VanderWall, Curt	Curt Vanderwall for State Senate	MI	R	State Senate	\$2,000
Whiteford, Mary	Committee To Elect Mary Whiteford	MI	R	State House	\$1,000
Blunt, Roy	Friends of Roy Blunt	MO	R	U.S. Senate	\$1,500
Blunt, Roy	Rely on Your Beliefs Fund	MO	R	U.S. Senate	\$5,000
Smith, Jason	Jason Smith for Congress	MO	R	U.S. House	\$1,000
	Montana Republican Legislative Campaign Committee	MT	R	State Party Committee	\$1,000*
Tester, Jon	Montanans for Tester	MT	D	U.S. Senate	\$2,500
Batch, Sydney	Friends for Sydney Batch	NC	D	State House	\$1,000
Berger, Phil	Phil Berger Committee	NC	R	State Senate	\$2,500
Blue, Dan	Citizens for Dan Blue	NC	D	State Senate	\$1,000
Cooper, Roy	Cooper for North Carolina	NC	D	Governor	\$8,100
Harrington, Kathy	Citizens To Elect Kathy Harrington	NC	R	State Senate	\$2,500
Hawkins, Zack	Zack Hawkins for North Carolina	NC	D	State House	\$1,000
Hudson, Richard	Hudson for Congress	NC	R	U.S. House	\$5,000
Jackson, Brent	Brent Jackson for NC Senate	NC	R	State Senate	\$2,500
Jackson, Darren	Jackson for NC	NC	D	State House	\$1,000
McHenry, Patrick	McHenry for Congress	NC	R	U.S. House	\$5,000
Moore, Timothy	Friends of Tim Moore	NC	D	State House	\$2,700
Newton, Paul	Newton for Senate	NC	R	State Senate	\$1,000
Perry, Jim	Jim Perry Committee	NC	R	State Senate	\$1,000
Price, David	Price for Congress	NC	D	U.S. House	\$1,000
Rabon, Bill	Rabon for Senate	NC	R	State Senate	\$2,500
Reives, Robert	Committee To Elect Robert T. Reives II	NC	D	State House	\$1,000
Sasser, Wayne	Committee To Elect Wayne Sasser House Seat 67	NC	R	State House	\$1,000
White, Donna	Donna White for NC House	NC	R	State House	\$1,000
Woodard, Mike	Committee To Elect Mike Woodard	NC	D	State Senate	\$1,000
Hoeven, John	Hoeven for Senate	ND	R	U.S. Senate	\$2,500
Sasse, Ben	Ben Sasse for U.S. Senate, Inc.	NE	R	U.S. Senate	\$1,000
Smith, Adrian	Adrian Smith for Congress	NE	R	U.S. House	\$2,000
Soucy, Donna	Committee To Elect Donna Soucy	NH	D	State Senate	\$1,000
Sununu, Chris	Friends of Chris Sununu	NH	R	Governor	\$1,000
	New Hampshire Senate Democratic Caucus	NH	D	State PAC	\$1,000
	NH Senate Republican Political Action Committee	NH	R	State PAC	\$1,000
Menendez, Robert	New Millennium PAC	NJ	D	U.S. Senate	\$5,000
Pallone, Frank	Pallone for Congress	NJ	D	U.S. House	\$5,000
Pascrell, William	Pascrell for Congress	NJ	D	U.S. House	\$2,000

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Heinrich, Martin	LOBO PAC	NM	D	U.S. Senate	\$2,000
Cortez Masto, Catherine	All for Our Country Leadership PAC	NV	D	U.S. Senate	\$5,000
Horsford, Steven	Nevadans for Steven Horsford	NV	D	U.S. House	\$2,000
Rosen, Jacklyn	Rosen for Nevada	NV	D	U.S. Senate	\$5,000
Benedetto, Michael	Benedetto for Assembly	NY	D	State House	\$1,000* (NYPAC)
Breslin, Neil	Friends of Senator Breslin	NY	D	State Senate	\$500 (NYPAC)
Brouk, Samra	Samra Brouk for State Senate	NY	D	State Senate	\$1,000 (NYPAC)
Burke, Patrick	Burke for Assembly	NY	D	State House	\$500 (NYPAC)
Buttenschon, Marianne	Friends of Marianne Buttenschon	NY	D	State House	\$500 (NYPAC)
Cooney, Jeremy	Friends of Jeremy Cooney	NY	D	State Senate	\$1,000 (NYPAC)
Griffin, Judy	Friends of Judy Griffin	NY	D	State House	\$500 (NYPAC)
Harckham, Peter	Pete Harckham for Senate	NY	D	State Senate	\$1,000 (NYPAC)
Hinchey, Michelle	Hinchey for NY	NY	D	State Senate	\$1,000 (NYPAC)
Jaffee, Ellen	Friends of Ellen Jaffee	NY	D	State House	\$500* (NYPAC)
Jean-Pierre, Kimberly	New Yorkers for Kim	NY	D	State House	\$1,000 (NYPAC)
Kaminsky, Todd	Kaminsky for New York	NY	D	State Senate	\$1,000* (NYPAC)
Mannion, John	Mannion for State Senate	NY	D	State Senate	\$1,500 (NYPAC)
Mayer, Shelley	Shelley Mayer for Senate	NY	D	State Senate	\$1,000 (NYPAC)
Quart, Dan	Friends of Dan Quart	NY	D	State House	\$1,000 (NYPAC)
Ramos, Jessica	Ramos for State Senate	NY	D	State Senate	\$1,000 (NYPAC)
Reed, Tom	Tom Reed for Congress	NY	R	U.S. House	\$5,000
Rivera, Gustavo	Gustavo Rivera for State Senate	NY	D	State Senate	\$5,000 (NYPAC)
Rodriguez, Robert	Friends of Robert J. Rodriguez	NY	D	State House	\$500 (NYPAC)
Rodriguez, Robert	Friends of Robert J. Rodriguez	NY	D	State House	\$1,000* (NYPAC)
Ryan, Sean	Sean Ryan for Senate	NY	D	State Senate	\$2,000 (NYPAC)
Santabarbara, Angelo	Santabarbara for Assembly	NY	D	State House	\$500 (NYPAC)
Schumer, Charles	Friends of Schumer	NY	D	U.S. Senate	\$5,000
Schumer, Charles	IMPACT	NY	D	U.S. Senate	\$5,000
Seawright, Rebecca	Friends of Rebecca Seawright	NY	D	State House	\$500 (NYPAC)
Walczyk, Mark	Friends of Mark Walczyk	NY	R	State House	\$500 (NYPAC)
Wallace, Monica	Friends of Monica Wallace	NY	D	State House	\$500 (NYPAC)
	NYS Democartic Assembly Campaign Committee	NY	D	State Party Committee	\$6,500 (NYPAC)
	NYS Democratic Senate Campaign Committee	NY	D	State Party Committee	\$1,500 (NYPAC)
	NYS Democratic Senate Campaign Committee	NY	D	State Party Committee	\$5,000* (NYPAC)
Carfagna, Rick	Committee To Elect Rick Carfagna	OH	R	State House	\$1,000
Cupp, Robert	Cupp for State Representative Committee	OH	R	State House	\$1,000
Edwards, Jay	Friends of Jay Edwards	OH	R	State House	\$2,500
Hall, Mark	Mark Hall for State Representative	OH	R	State House	\$500
Hottinger, Jay	Citizens for Hottinger	OH	R	State Senate	\$1,000
Huffman, Matt	Matt Huffman for Ohio	OH	D	State Senate	\$8,500
Kunze, Stephanie	Citizens for Stephanie Kunze	OH	R	State Senate	\$500

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
McColley, Robert	Citizens for McColley	OH	R	State Senate	\$2,500
Seitz, Bill	Seitz for Ohio	OH	D	State Senate	\$1,000
Wenstrup, Brad	Building and Restoring the American Dream Fund	OH	R	U.S. House	\$5,000
Lankford, James	Families for James Lankford	OK	R	U.S. Senate	\$1,000
Mullin, Markwayne	Mullin for Congress	OK	R	U.S. House	\$2,000
Boquist, Brian	Boquist Leadership Fund	OR	R	State Senate	\$1,000
Drazan, Christine	Friends of Christine Drazan	OR	R	State House	\$2,000
Hayden, Cedric	Hayden for Oregon	OR	R	State House	\$1,000
Moore-Green, Racquel	Friends of Racquel Moore-Green	OR	D	State House	\$1,000
Schrader, Kurt	Kurt Schrader for Congress	OR	D	U.S. House	\$2,500
Argall, David	Volunteers for David Argall	PA	D	State Senate	\$500
Benninghoff, Kerry	Benninghoff for Representative	PA	R	State House	\$2,500
Boyle, Brendan	Citizens for Boyle	PA	D	U.S. House	\$2,500
Bradford, Matthew	Friends of Matt Bradford	PA	D	State House	\$1,000
Briggs, Tim	Tim Briggs for State Representative	PA	D	State House	\$1,000
Browne, Patrick	Citizens for Patrick Browne	PA	R	State Senate	\$1,000
Casey, Bob	Bob Casey for Senate, Inc.	PA	D	U.S. Senate	\$5,000
Casey, Bob	Keystone America PAC	PA	D	U.S. Senate	\$1,000
Corman, Jake	Friends of Jake Corman	PA	R	State Senate	\$5,000
Costa, Jay	Jay Costa Jr. for State Senate	PA	D	State Senate	\$500
Cutler, Bryan	Friends of Bryan Cutler	PA	R	State House	\$500
Daley, Mary Jo	Friends of Mary Jo Daley	PA	D	State House	\$250
Delozier, Sheryl	Friends of Sheryl Delozier	PA	R	State House	\$300
Dermody, Frank	Friends of Frank Dermody	PA	D	State House	\$1,000
Gordner, John	Friends of John Gordner	PA	R	State Senate	\$750
Harris, Jordan	Citizens for Jordan Harris	PA	D	State House	\$500*
Hughes, Vincent	Citizens for Hughes	PA	D	State Senate	\$1,000
Kelly, Mike	Mike Kelly for Congress	PA	R	U.S. House	\$1,000
Killion, Thomas	Killion Victory Committee	PA	R	State Senate	\$1,000
Krueger-Braneky, Leanne	Leanne for PA	PA	D	State House	\$500
Laughlin, Daniel	Committee To Elect Dan Laughlin	PA	R	State Senate	\$1,000
Longietti, Mark	Friends of Mark Longietti	PA	D	State House	\$500
Martin, Scott	Friends of Scott Martin	PA	R	State Senate	\$500
Mensch, Bob	Friends of Bob Mensch	PA	R	State Senate	\$1,000
Pickett, Tina	Friends of Tina Pickett	PA	R	State House	\$500
Rapp, Kathy	Kathy Rapp for Rep	PA	R	State House	\$500
Regan, Mike	Mike Regan for Senate	PA	R	State Senate	\$500
Roae, Brad	The Committee To Elect Brad Roae	PA	R	State House	\$500
Rothman, Greg	Friends of Greg Rothman	PA	R	State House	\$250
Saylor, Stanley	Citizens for Stan Saylor	PA	R	State House	\$1,000
Schlossberg, Michael	Friends of Mike Schlossberg	PA	D	State House	\$500
Toomey, Pat	Friends of Pat Toomey	PA	R	U.S. Senate	\$1,000

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Torsella, Joe	Friends of Joe Torsella	PA	D	State Treasurer	\$1,000
Zimmerman, David	Supporters of Dave Zimmerman	PA	R	State House	\$500
	Building a Stronger PA	PA	R	State PAC	\$2,500
	House Republican Campaign Committee	PA	R	State Party Committee	\$4,000*
Clyburn, James	Building Relationships in Diverse Geographic Environments PAC	SC	D	U.S. House	\$5,000
Graham, Lindsey	Team Graham, Inc.	SC	R	U.S. Senate	\$1,000
Scott, Tim	Tomorrow Is Meaningful PAC	SC	R	U.S. Senate	\$1,500
Thune, John	Heartland Values PAC	SD	R	U.S. Senate	\$2,500
Camper, Karen	Karen D. Camper Campaign Committee	TN	D	State House	\$500
Dixie, Vincent	Committee To Elect Vincent Dixie	TN	D	State House	\$500
Freeman, Bob	Friends of Bob Freeman	TN	D	State House	\$500
Helton, Esther	Committee To Elect Esther Helton	TN	R	State House	\$500
Jernigan, Darren	Friends of Darren Jernigan	TN	D	State House	\$500
Johnson, Jack	Johnson for State Senate	TN	R	State Senate	\$1,000
Marsh, Pat	Pat Marsh for State Representative	TN	R	State House	\$500
Mitchell, Bo	Friends of Bo Mitchell	TN	D	State House	\$500
Reeves, Shane	Shane Reeves for State Senate	TN	R	State Senate	\$1,000
Rudd, Tim	Friends of Tim Rudd	TN	R	State House	\$500
Sexton, Cameron	Cameron Sexton Campaign Committee	TN	R	State House	\$1,000*
Smith, Robin	Citizens To Elect Robin Smith	TN	R	State House	\$1,000
Terry, Bryan	Bryan Terry for State Representative	TN	R	State House	\$1,000
Vaughan, Kevin	Friends of Kevin Vaughan	TN	R	State House	\$500
Watson, Bo	Friends of Bo Watson	TN	D	State Senate	\$1,000
Williams, Ryan	Ryan Williams for State Representative	TN	R	State House	\$500
Yarbro, Jeff	Jeff Yarbro for State Senate	TN	D	State Senate	\$1,000
Alvarado, Carol	Carol Alvarado Campaign	TX	D	State Senate	\$1,000
Anchia, Rafael	Rafael Anchia Campaign	TX	D	State House	\$500
Ashby, Trent	Texans for Ashby	TX	R	State House	\$500
Bettencourt, Paul	Friends of Paul Bettencourt	TX	R	State Senate	\$1,000
Blanco, Cesar	Cesar Blanco Campaign	TX	D	State Senate	\$1,000
Bonnen, Greg	Friends of Dr. Greg Bonnen	TX	R	State House	\$1,000
Brady, Kevin	Brady for Congress	TX	R	U.S. House	\$2,500
Buckingham, Dawn	Buckingham for Texas Senate	TX	R	State Senate	\$1,000
Campbell, Donna	Friends of Donna Campbell	TX	D	State Senate	\$1,000
Canales, Terry	Terry Canales Campaign	TX	D	State House	\$500
Capriglione, Giovanni	Giovanni Capriglione Campaign	TX	R	State House	\$500
Clardy, Travis	Travis Clardy Campaign	TX	R	State House	\$500
Coleman, Garnet	Garnet Coleman Campaign	TX	D	State House	\$1,000
Cornyn, John	Texans for Senator John Cornyn, Inc.	TX	R	U.S. Senate	\$4,000
Creighton, Brandon	Friends of Brandon Creighton	TX	R	State Senate	\$1,000
Cyrier, John	John Cyrier Campaign Committee	TX	R	State House	\$500

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Davis, Sarah	Sarah Davis Campaign	TX	R	State House	\$1,000*
Dutton, Harold	Harold Dutton Campaign	TX	D	State House	\$500
Frank, James	James Frank Campaign	TX	R	State House	\$1,000
Geren, Charlie	Charlie Geren Campaign	TX	R	State House	\$500
Goldman, Craig	Craig Goldman Campaign	TX	R	State House	\$500
Gonzalez, Mary	Mary Gonzalez Campaign	TX	D	State House	\$500
Guerra, R.D. Bobby	Roberto D. Guerra Campaign	TX	D	State House	\$1,000
Guillen, Ryan	Ryan Guillen Campaign	TX	D	State House	\$500
Hancock, Kelly	Texans for Kelly Hancock SPAC	TX	R	State Senate	\$1,000
Hinojosa, Juan	Juan Hinojosa for Texas Senate	TX	D	State Senate	\$1,000
Howard, Donna	Donna Howard Campaign Committee	TX	D	State House	\$500
Huffman, Joan	Texans for Joan Huffman	TX	R	State Senate	\$1,000
Hughes, Bryan	Bryan Hughes Campaign	TX	R	State Senate	\$1,000
Hunter, Todd	Todd Hunter Campaign	TX	R	State House	\$500
Kacal, Kyle	Kyle Kacal Campaign Committee	TX	R	State House	\$500
King, Ken	Kenneth King Campaign	TX	R	State House	\$500
King, Phil	Phil King Campaign	TX	R	State House	\$500
King, Tracy	Tracy King Campaign	TX	D	State House	\$500
Klick, Stephanie	Stephanie Klick Campaign Committee	TX	R	State House	\$1,000
Kolkhorst, Lois	Lois Kolkhorst Campaign Committee	TX	R	State Senate	\$2,000
Kuempel, John	John Kuempel Campaign	TX	R	State House	\$500
Larson, Lyle	Lyle Larson Campaign	TX	R	State House	\$500
Lozano, J.M.	Jose M. Lozano Campaign	TX	D	State House	\$500*
Longoria, Oscar	Oscar Longoria Campaign Committee	TX	D	State House	\$500
Lucio, Eddie	Eduardo A. Lucio III Campaign	TX	D	State House	\$500
Lucio, Eduardo	Eduardo A. Lucio Jr. Campaign	TX	D	State Senate	\$1,000
Martinez Fischer, Trey	Trey Martinez Fischer Campaign	TX	D	State House	\$1,000
Martinez, Armando	Armando Martinez Campaign	TX	D	State House	\$500
Menendez, Jose	Jose Menendez Campaign	TX	D	State Senate	\$1,000
Moody, Joseph	Joseph Moody Campaign	TX	D	State House	\$500
Morales, Christina	Christina Morales Campaign	TX	D	State House	\$500
Munoz, Sergio	Sergio Munoz Jr. Campaign	TX	D	State House	\$500
Murphy, Jim	Friends of Jim Murphy	TX	R	State House	\$500
Nelson, Jane	Friends of Senator Jane Nelson	TX	R	State Senate	\$1,000
Nichols, Robert	Robert Nichols Campaign	TX	R	State Senate	\$1,000
Noble, Candy	Candy Noble Campaign	TX	R	State House	\$500
Oliverson, Tom	Friends of Tom Oliverson	TX	R	State House	\$1,000
Paddie, Chris	Texans for Chris Paddie	TX	D	State House	\$5,000
Parker, Tan	Nathaniel Parker Campaign	TX	R	State House	\$500
Perry, Charles	Charles Perry Campaign Committee	TX	R	State Senate	\$1,000
Phelan, Dade	Texans for Dade	TX	R	State House	\$500

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Price, Four	Campaign To Elect Walter "Four" Price	TX	R	State House	\$1,000
Raymond, Richard	Richard Pena Raymond Future of Texas Fund	TX	D	State House	\$500
Rodriguez, Eddie	Eduardo R. Rodriguez Campaign	TX	D	State House	\$1,000
Rose, Toni	Toni Rose Campaign	TX	D	State House	\$1,000
Schwertner, Charles	Texans for Charles Schwertner	TX	R	State Senate	\$1,000
Taylor, Larry	Larry Taylor Campaign Committee	TX	R	State Senate	\$1,000
Thompson, Senfronia	Senfronia Thompson Campaign	TX	D	State House	\$1,500
Turner, Chris	Christopher Turner Campaign Committee	TX	D	State House	\$500
Veasey, Marc	Marc Veasey Congressional Campaign Committee	TX	D	U.S. House	\$500
Vo, Hubert	Hubert Vo Campaign	TX	D	State House	\$500
Whitmire, John	John Whitmire Campaign	TX	D	State Senate	\$1,000
Wu, Gene	Eugene Wu Campaign	TX	D	State House	\$500
	Texas House Republican Caucus	TX	R	State PAC	\$2,000
Curtis, John	Curtis for Congress	UT	R	U.S. House	\$1,000
	Utah Republican Senate Campaign Committee	UT	R	State Party Committee	\$750*
	Utah House Republican Election Committee	UT	R	State Party Committee	\$750*
Bagby, Lamont	Friends of Lamont Bagby	VA	D	State House	\$1,000
Bulova, David	Friends of David Bulova	VA	D	State House	\$500
Byron, Kathy	Friends of Kathy Byron	VA	R	State House	\$500
Filler-Corn, Eileen	Eileen Filler-Corn for Delegate	VA	D	State House	\$750
Herring, Charniele	Friends of Charniele Herring	VA	D	State House	\$1,000
Surovell, Scott	Surovell for State Senate	VA	D	State Senate	\$1,000
Torian, Luke	Friends of Luke Torian	VA	D	State House	\$1,000
Warner, Mark	Forward Together PAC	VA	D	U.S. Senate	\$1,000
Warner, Mark	Friends of Mark Warner	VA	D	U.S. Senate	\$2,500
Leahy, Patrick	Green Mountain PAC	VT	D	U.S. Senate	\$2,500
Scott, Phil	Phil Scott for Vermont	VT	R	Governor	\$1,000
DelBene, Suzan	Delbene for Congress	WA	D	U.S. House	\$3,000
McMorris Rodgers, Cathy	Cathy McMorris Rodgers for Congress	WA	R	U.S. House	\$1,500
Murray, Patty	People for Patty Murray	WA	D	U.S. Senate	\$6,000
August, Tyler	Citizens for August	WI	R	State House	\$250
Darling, Alberta	Friends of Alberta Darling	WI	R	State Senate	\$500
Felzkowski, Mary	Felzkowski of Mary	WI	R	State Senate	\$500
Kind, Ron	Kind for Congress Committee	WI	D	U.S. House	\$3,000
Kurtz, Tony	Kurtz for Assembly	WI	R	State House	\$250
Novak, Todd	Novak for Assembly	WI	R	State House	\$250
Nygren, John	Taxpayers for Nygren	WI	R	State House	\$250
Rodriguez, Jessie	Friends for Jessie	WI	R	State House	\$250
Roth, Roger	Roth for Wisconsin	WI	D	State Senate	\$500
Sanfelippo, Joe	Sanfelippo for Assembly	WI	R	State House	\$250
Stroebe, Duey	Duey for Senate	WI	R	State Senate	\$250
Testin, Patrick	Testin for Senate	WI	R	State Senate	\$250

LillyPAC Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Vorpagel, Tyler	Vorpagel for Assembly	WI	R	State House	\$250
Vos, Robin	Friends & Neighbors of Robin Vos	WI	R	State House	\$250
	Assembly Democratic Campaign Committee	WI	D	State Party Committee	\$1,000
	Committee To Elect a Republican Senate	WI	R	State PAC	\$4,000
	Republican Assembly Campaign Committee	WI	R	State Party Committee	\$4,000
	State Senate Democratic Campaign Committee	WI	D	State Party Committee	\$1,000
Manchin, Joe	Manchin for West Virginia	WV	D	U.S. Senate	\$1,000
Morrisey, Patrick	Morrisey for Attorney General	WV	R	Attorney General	\$2,800
Barrasso, John	Common Values PAC	WY	R	U.S. Senate	\$2,500
Cheney, Elizabeth	Liz Cheney for Wyoming	WY	R	U.S. House	\$2,500
	Total LillyPAC and New York Contributions				\$765,300
	* These contributions were disbursed and reported in 2020, but have since been voided in 2021.				

Corporate Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Aguiar-Curry, Cecilia	Cecilia Aguiar-Curry for Assembly 2020	CA	D	State House	\$1,500
Bigelow, Frank	Friends of Frank Bigelow for Assembly 2020	CA	R	State House	\$1,500
Dahle, Brian	Brian Dahle for Senate 2020	CA	R	State Senate	\$1,000
Gipson, Mike	Gipson for Assembly 2020	CA	D	State House	\$1,000
O'Donnell, Patrick	Patrick O'Donnell for Assembly 2020	CA	D	State House	\$3,000
Portantino, Anthony	Anthony Portantino for Senate 2020	CA	D	State Senate	\$1,000
Wilk, Scott	Wilk for Senate 2020	CA	R	State Senate	\$1,000
	Better Colorado Alliance	CO	D	State PAC	\$1,000
Bennett, Andria	Committee To Elect Andria Bennett	DE	D	State House	\$150
Decollo, Anthony	Delcollo for Delaware	DE	R	State Senate	\$150
Ennis, Bruce	Ennis Senate Campaign Committee	DE	D	State Senate	\$150
Hall-Long, Bethany	Committee To Elect Bethany Hall-Long	DE	D	Lt. Governor	\$300
Hensley, Kevin	Friends of Kevin Hensley	DE	R	State House	\$150
Navarro, Trinidad	Navaro for Insurance Commissioner	DE	D	State Insurance Commissioner	\$300
Smith, Mike	Mike Smith for Delaware	DE	R	State House	\$150
Walsh, Jack	Walsh for the 9th	DE	D	State Senate	\$150
Bradley, Jennifer	Committee To Elect Jennifer Bradley	FL	R	State Senate	\$1,000
Brodeur, Jason	Committee To Elect Jason Brodeur	FL	R	State Senate	\$1,000
Burton, Colleen	Committee To Elect Colleen Burton	FL	R	State House	\$1,000
Clemons, Charles	Committee To Elect Charles Clemons	FL	R	State House	\$1,000
Fetterhoff, Elizabeth	Committee To Elect Elizabeth Fetterhoff	FL	R	State House	\$1,000
Fine, Randall	Committee To Elect Randall Fine	FL	R	State House	\$1,000
Fischer, Jason	Jason Fischer for State House District 16	FL	R	State House	\$1,000
Harrell, Gayle	Gayle Harrell for State Senate	FL	R	State Senate	\$1,000
Hutson, Travis	Committee To Elect Travis Hutson	FL	R	State Senate	\$1,000
Sirois, Tyler	Committee To Elect Tyler Sirois	FL	R	State House	\$1,000
Skidmore, Kelly	Kelly Skidmore for State Senate	FL	D	State House	\$1,000
Toledo, Jackie	Committee To Elect Jackie Toledo	FL	R	State House	\$1,000
Yarbough, Clay	Elect Clay Yarborough	FL	R	State House	\$1,000
	Florida House Republican Campaign Committee	FL	R	State Party Committee	\$5,000
	Republican Party of Duval County	FL	R	County Party Committee	\$1,000
	Trusted Leadership Political Committee	FL	D	State PAC	\$1,000
Bennett, Karen	Committee To Elect Karen Bennett	GA	D	State House	\$500
Beverly, James	Campaign To Elect James Beverly	GA	D	State House	\$1,000
	Democratic Party of Georgia	GA	D	State Party Committee	\$1,000
	Georgia House Republican Trust	GA	R	State PAC	\$1,000
	Georgia Legislative Black Caucus, Inc.	GA	D	State PAC	\$1,500
	Georgia Republic Senatorial Committee	GA	R	State PAC	\$1,000
Kelley, Trey	Committee To Elect Trey Kelley	GA	R	State House	\$500
King, John	Georgians for John King	GA	R	State Insurance Commissioner	\$1,500

Corporate Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Parent, Elena	Friends of Elana Parent	GA	D	State Senate	\$500
Walker, Larry	Larry Walker for State Senate	GA	R	State Senate	\$500
Bedke, Scott	Bedke for Legislature	ID	R	State House	\$1,000
Little, Brad	Brad Little for Governor	ID	R	Governor	\$1,000
Winder, Chuck	Chuck Winder for Senate	ID	R	State Senate	\$1,000
Aquino, Omar	Friends of Omar Aquino	IL	D	State Senate	\$1,000
Belt, Christopher	Friends of Christopher Belt	IL	D	State Senate	\$500
Bourne, Avery	Friends for Avery Bourne	IL	R	State House	\$500
Brady, Bill	Brady for Senate	IL	R	State Senate	\$500
Bryant, Terri	Committee To Elect Terri Bryant	IL	R	State House	\$500
Castro, Christina	Citizens for Castro	IL	D	State Senate	\$500
Caulkins, Dan	Committee To Elect Dan Caulkins	IL	R	State House	\$500
Crowe, Rachelle Aud	Rachelle Aud Crowe for Senate	IL	D	State Senate	\$1,000
Cunningham, Bill	Friends of Bill Cunningham	IL	D	State Senate	\$2,500
Fine, Laura	Friends of Laura Fine	IL	D	State Senate	\$1,000
Harris, Napoleon	Friends of Napoleon Harris	IL	D	State Senate	\$2,500
Hastings, Michael	Citizens for Michael E. Hastings	IL	D	State Senate	\$2,500
Holmes, Linda	Citizens for Linda Holmes	IL	D	State Senate	\$1,000
Hunter, Mattie	Friends of Mattie Hunter	IL	D	State Senate	\$1,500
Jones III, Emil	Friends of Emil Jones III	IL	D	State Senate	\$500
Lightford, Kimberly	Citizens for Lightford	IL	D	State Senate	\$1,500
Mazzochi, Deanne	Citizens for Mazzochi	IL	R	State House	\$1,000
McConchie, Dan	Elect Dan McConchie	IL	R	State Senate	\$3,000
Morrison, Julie	Julie Morrison for State Senate	IL	D	State Senate	\$500
Munoz, Antonio	Citizens for Antonio "Tony" Munoz	IL	D	State Senate	\$2,000
Murphy, Laura M	Citizens for Laura M. Murphy	IL	D	State Senate	\$1,500
Rose, Chapin	Friends of Chapin Rose	IL	R	State Senate	\$500
Sims Jr, Elgie	Friends of Elgie Sims	IL	D	State Senate	\$1,000
Spain, Ryan	Friends of Ryan Spain	IL	R	State House	\$500
Wheeler, Keith	Committee To Elect Keith Wheeler	IL	R	State House	\$1,000
Charbonneau, Ed	Charbonneau for Senate	IN	R	State Senate	\$1,000
	Indiana Republican State Committee	IN	R	State Party Committee	\$3,000
Eplee, John	Kansans for Eplee	KS	R	State House	\$250
Erickson, Renee	Renee Erickson for Kansas	KS	R	State Senate	\$500
Finch, Blaine	Finch for House Campaign	KS	R	State House	\$250
Kelly, Jim	Jim Kelly for State Representative	KS	R	State House	\$250
Lynn, Megan	Megan Lynn for Kansas	KS	R	State House	\$250
Murnan, Monica	Monica for Kansas	KS	D	State House	\$250
Peterson, Mike	Mike for Senate Campaign Fund	KS	R	State Senate	\$500
Ruiz, Louis	Ruiz for House Committee	KS	D	State House	\$250
Wolf Moore, Kathy	Moore for House Committee	KS	R	State House	\$250

Corporate Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Bishop, Stuart	Friends of Stuart Bishop	LA	R	State House	\$500
Brown, Chad	Chad Brown Campaign	LA	D	State House	\$500
Cortez, Page	Page Cortez Campaign	LA	R	State Senate	\$1,000
DuBuisson, Mary	Mary DuBuisson Campaign	LA	R	State House	\$250
Emerson, Julie	Julie Emerson Campaign	LA	R	State House	\$250
Frieman, Larry	Larry Frieman Campaign Fund	LA	R	State House	\$250
Green, Kyle	Green for Louisiana	LA	D	State House	\$250
Hensgens, Bob	Bob Hensgens Campaign	LA	R	State Senate	\$500
Huval, Mike	Mike Huval Campaign	LA	R	State House	\$250
Illg, Jr., John	John Illg Campaign	LA	R	State House	\$250
Larvadain, Ed	Ed Larvadain Campaign Fund	LA	D	State House	\$250
McMahen, Wayne	Wayne McMahan Campaign Fund	LA	R	State House	\$250
Miller, Dustin	Dustin Miller Campaign	LA	D	State House	\$250
Mills, Fred	Mills for Senate	LA	R	State Senate	\$1,000
Owen, Bob	Bob Owen Campaign	LA	R	State House	\$250
Pope, J. Rogers	J. Rogers Pope Campaign	LA	R	State Senator	\$500
Pressly, Thomas	Thomas Pressly Campaign	LA	R	State House	\$250
Schexnayder, Clay	Clay Schexnayder Campaign Fund	LA	R	State House	\$500
Selders, Larry C.	Larry C. Selders Campaign	LA	D	State House	\$250
Stefanski, John	Campaign To Elect John Stefanski	LA	R	State House	\$500
Talbot, Kirk	Kirk Talbot Campaign	LA	R	State Senate	\$1,000
Arch, John	Citizens To Elect John Arch	NE	N/A [†]	State Senate	\$500
Brandt, Tom	Brandt for Legislature	NE	N/A [†]	State Senate	\$500
Dorn, Myron	Dorn for Legislature	NE	N/A [†]	State Senate	\$500
Hansen, Ben	Ben Hansen for Legislature	NE	N/A [†]	State Senate	\$500
Lindstrom, Brett	Friends of Lindstrom	NE	N/A [†]	State Senate	\$500
Murman, Dave	Dave Murman for Legislature	NE	N/A [†]	State Senate	\$500
Bateman, Kip	Election Fund of Kip Bateman	NJ	R	State Senate	\$1,000
Bramnick, Jon	Bramnick for Assembly	NJ	R	State House	\$1,500
Conaway, Herb	Committee To Elect Herb Conaway	NJ	D	State House	\$1,350
Coughlin, Craig	Election Fund of Craig J. Coughlin for Assembly	NJ	D	State House	\$1,500
Freiman, Roy	Freiman for Assembly	NJ	D	State House	\$1,000
Greenwald, Louis	Louis D. Greenwald for Assembly	NJ	D	State House	\$1,500
Marin, Eliana Pintor	Eliana Pintor Marin for State Assembly	NJ	D	State House	\$500
McKeon, John	Election Fund of John F. McKeon for Assembly	NJ	D	State House	\$500
Oroho, Steven	Oroho for Senate	NJ	R	State Senate	\$1,000
Sweeny, Stephen	Sweeny for Senate	NJ	D	State Senate	\$1,500
Vitale, Joseph	Election Fund of Joseph F. Vitale	NJ	D	State Senate	\$500
Zwicker, Andrew	Zwicker for Assembly	NJ	D	State House	\$1,000
	Assembly Republican Victory	NJ	R	State Party Committee	\$1,000

Corporate Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
	New Jersey Democratic Committee	NJ	D	State Party Committee	\$5,000
Armstrong, Debra	Armstrong for House	NM	D	State House	\$500
Brandt, Craig	Brandt for Senate	NM	R	State Senate	\$500
Egoff, Brian	Committee To Elect Brian Egoff	NM	D	State House	\$500
Hocman-Vigil, Dyan	Committee To Elect Hocman-Vigil	NM	D	State House	\$500
Jujan Grisham, Michelle	New Mexicans for Michelle	NM	D	Governor	\$10,000
Kernan, Gay	Committee To Elect Kernan	NM	R	State Senate	\$500
Lundstrom, Patricia	Patricia Lindstrom Campaign	NM	D	State House	\$500
Munoz, George	Committee To Elect George Munoz	NM	D	State Senate	\$500
Wirth, Peter	Re-Elect Wirth	NM	D	State Senate	\$500
Backus, Shea	Committee To Elect Shea Backus	NV	D	State House	\$500
Bibray-Axelrod, Shannon	Shannon for Nevada	NV	D	State House	\$500
Cohen, Leslie	Friends of Lesley Cohen	NV	D	State House	\$500
Lange, Roberta	Committee To Elect Roberta Lange	NV	D	State Senate	\$500
Neal, Dina	Campaign for Dina Neal	NV	D	State Senate	\$500
Pickard, Keith	Committee To Elect Keith Pickard	NV	R	State Senate	\$500
Roberts, Tom	Friends of Tom Roberts	NV	R	State House	\$500
Wheeler, Jim	Wheeler4Nevada	NV	R	State House	\$500
	Democratic Senate Campaign Committee - Housekeeping	NY	D	State Party Committee	\$1,000
	NYS Senate Republican Campaign Committee - Housekeeping	NY	R	State Party Committee	\$2,500
	RACC- Housekeeping	NY	R	State Party Committee	\$2,500
	Bronx Democratic County Committee- Housekeeping	NY	D	State Party Committee	\$1,000
	Democratic Assembly Campaign Committee- Housekeeping	NY	D	State Party Committee	\$6,000
	Democratic Senate Campaign Committee- Housekeeping	NY	D	State Party Committee	\$6,000
	Kings County Democratic County Committee- Housekeeping	NY	D	State Party Committee	\$1,000
	Ohio Republican Party- Building Fund	OH	R	State Party Committee	\$10,000
Boles, Denyc	Friends of Denyc Boles	OR	R	State Senate	\$2,500
Bonham, Daniel	Committee To Elect Daniel Bonham	OR	R	State House	\$1,000
Boquist, Brian	Boquist Leadership Fund	OR	R	State Senate	\$2,500
Bynum, Janelle	Committee To Elect Janelle Bynum	OR	R	State House	\$1,500
Drazan, Christine	Friends of Christine Drazan	OR	R	State House	\$3,000
Evans, Paul	Friends of Paul Evans	OR	D	State House	\$1,000
Findley, Lynn	Lynn Findley for State Senate	OR	R	State House	\$1,000
Frederick, Lew	Friends of Lew Frederick	OR	D	State Senate	\$500
Girod, Fred	Friends of Fred Girod	OR	R	State Senate	\$2,500
Hansell, Bill	Friends of Bill Hansell	OR	R	State Senate	\$500

Corporate Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Hayden, Cedric Ross	Hayden for Oregon	OR	R	State House	\$2,500
Heard, Dallas	Friends of Dallas Heard	OR	R	State Senate	\$500
Holvey, Paul	Paul Holvey for State Representative	OR	D	State House	\$1,000
Knopp, Tim	Tim Knopp for State Senate	OR	R	State Senate	\$2,500
Meek, Mark	Friends of Mark Meek	OR	D	State House	\$1,000
Nathanson, Nancy	Friends of Nancy Nathanson	OR	D	State House	\$1,000
Nearman, Mike	Nearman for Oregon	OR	R	State House	\$500
Post, Bill	Friends of Bill Post	OR	R	State House	\$1,000
Rayfield, Dan	Friends of Dan Rayfield	OR	D	State House	\$1,000
Reschke, E. Werner	Werner for Oregon	OR	R	State House	\$1,000
Stark, Duane	Friends of Duane Stark	OR	R	State House	\$2,000
Thomsen, Chuck	Elect Chuck Thomsen	OR	R	State House	\$1,000
Wagner, Rob	Friends of Rob Wagner	OR	D	State Senate	\$2,500
Wilde, Marty	Mary Wilde for Oregon	OR	D	State House	\$500
Witt, Brad	Brad Witt for State Representative	OR	D	State House	\$1,000
Jones, Jay	Friends of Jay Jones	VA	D	State House	\$500
Kilgore, Terry	Kilgore for Delegate	VA	R	State House	\$500
Obenshain, Mark	Friends of Mark Obenshain	VA	R	State Senate	\$500
Pillion, Todd	Friends of Todd Pillion	VA	R	State Senate	\$500
Ware, Lee	Friends for by Friends of Lee Ware	VA	R	State House	\$500
	Commonwealth Victory Fund	VA	D	State PAC	\$1,000
	The Way Ahead	VA	D	State PAC	\$2,500
Berg, April	Friends of April Berg	WA	D	State Representative	\$500
Billig, Andy	Friends of Andy Billig	WA	D	State Senate	\$1,000
Braun, John	John Braun for State Senate	WA	R	State Senate	\$1,000
Chandler, Bruce	Bruce Chandler Campaign	WA	R	State House	\$500
Chopp, Frank	Friends of Frank Chopp	WA	D	State House	\$500
Cleveland, Annette	Annette Cleveland for State Senate	WA	D	State Senate	\$1,000
Cody, Eileen	Committee To Elect Eileen Cody	WA	D	State House	\$1,000
Corry, Chris	Elect Chris Corry	WA	R	State House	\$1,000
Entenman, Debra	Elect Debra Entenman	WA	D	State House	\$750
Garbe Reser, Danielle	Friends of Danielle Garbe Reser	WA	D	State Senate	\$500
Gildon, Chris	Friends of Chris Gildon	WA	R	State Senate	\$500
Goodman, Roger	Friends of Roger Goodman	WA	D	State House	\$500
Harris, Paul	People for Paul Harris	WA	R	State House	\$1,000
Hasegawa, Robert	Campaign To Re-Elect Bob Hasegawa	WA	D	State Senate	\$250
Heck, Denny	Denny Heck for Lieutenant Governor	WA	D	Lieutenant Governor	\$1,000
Hudgins, Zachary	People for Zack Hudgins	WA	D	State House	\$250
Hunt, Sam	Sam Hunt for Senate	WA	D	State Senate	\$500
Inslee, Jay	Jay Inslee for Governor	WA	D	Governor	\$2,000
Jinkins, Laurie	Friends of Laurie Jinkins	WA	D	State House	\$1,000

Corporate Contributions

CANDIDATE	ORGANIZATION/COMMITTEE	ST	P	OFFICE	AMOUNT
Johnson, Jesse	Jesse Johnson for the Future of Federal Way	WA	D	State House	\$250
King, Curtis	Curtis King for Senate	WA	R	State Senate	\$1,000
Kirby, Steven	Steve Kirby Campaign	WA	D	State House	\$500
Litzenberger, Ronda	Neighbors for Ronda	WA	R	State Senate	\$500
Lovick, John	Committee for John Lovick	WA	D	State House	\$150
Macri, Nicole	Elect Nicole Macri	WA	D	State House	\$500
Maycumber, Jacquelin	Committee To Elect Jacquelin Maycumber	WA	R	State House	\$750
Mullet, Mark	Elect Mark Mullet	WA	D	State Senate	\$1,000
O'Ban, Steve	Friends of Steve O'Ban	WA	R	State Senate	\$1,750
Ormsby, Timm	People for Timm Ormsby	WA	D	State House	\$1,000
Riccelli, Marcus	Friends of Marcus Riccelli	WA	D	State House	\$1,000
Rivers, Ann	Friends of Ann Rivers	WA	R	State Senate	\$1,000
Rolfes, Christine	People for Christine Rolfes	WA	D	State Senate	\$1,000
Rude, Skylar	Committee To Elect Skylar Rude	WA	R	State House	\$250
Ryu, Cindy	Friends for Cindy Ryu	WA	D	State House	\$250
Salisbury, Chukundi	Friends of Chukundi Salisbury	WA	D	State House	\$500
Schmick, Joe	Friends of Joe Schmick	WA	R	State House	\$1,000
Schoesler, Mark	Senate Committee for Mark Schoesler	WA	R	State Senate	\$1,000
Slatter, Vandana	Friends of Vandana Slatter	WA	D	State House	\$1,000
Springer, Lawrence	Friends of Larry Springer	WA	D	State House	\$1,250
Stokesbary, Drew	Friends of Drew Stokesbary	WA	R	State House	\$1,000
Sullivan, Pat	Re-Elect Pat Sullivan Campaign	WA	D	State House	\$1,000
Takko, Dean	Dean Takko for State Senate	WA	D	State Senate	\$1,500
Taylor, Jamila	Elect Jamila Taylor	WA	D	State House	\$500
Tharinger, Steve	Elect Steve Tharinger	WA	D	State House	\$500
Valdez, Javier	Javier Valdez for State Representative	WA	D	State House	\$250
Walen, Amy	Amy Walen for State Senate	WA	D	State House	\$250
Wilcox, J.T.	Re-Elect J.T. Wilcox	WA	R	State House	\$1,000
Ybarra, Alex	Friends of Alex Ybarra	WA	R	State House	\$500
	House Democratic Campaign Committee	WA	D	State Party Committee	\$1,000
	House Republican Caucus	WA	R	State Party Committee	\$1,000
	Senate Democratic Campaign Committee	WA	D	State Party Committee	\$1,000
	Senate Republican Campaign	WA	R	State Party Committee	\$1,000
	Total Corporate Contributions				\$241,000

LOBBYING

Lilly invests in direct lobbying efforts at the federal, state, and local levels to educate policymakers on the specific implications that various legislation may have on the company, our community, and patients. Information on our federal lobbying activities is reported to the U.S. Congress in accordance with the Lobbying Disclosure Act of 1995. Information on our state lobbying activities is reported as required in those states where we engage in lobbying activities.

For more information, view the following reports:

- [Q4 2020 U.S. Federal Lobbying Disclosure](#)
- [Q3 2020 U.S. Federal Lobbying Disclosure](#)
- [Q2 2020 U.S. Federal Lobbying Disclosure](#)
- [Q1 2020 U.S. Federal Lobbying Disclosure](#)
- [2020 State Lobbying Disclosures](#)

MEMBERSHIP

In addition to direct political contributions, Lilly maintains memberships in certain 501(c)6s – trade associations that report lobbying activity to the U.S. government. We support organizations that champion public policies that contribute to pharmaceutical innovation, healthy patients, and a healthy business climate. The “Lilly Report of Political Financial Support” also notes our memberships in trade associations that report lobbying activity to the U.S. government and to which we contribute \$50,000 per year or more. Organizations where Lilly has a board seat are also noted. The most recent listing can be found [here](#).

For more information, you can view the reports from previous years below:

Previous years’ (2010 to 2019) [Lilly Report of Political Financial Support](#)

Exhibit F

[Copy of Diabetes Solution Center]

[Having Trouble Affording Your Lilly Medicine? Contact Us](#) | [Learn About Lilly's Global COVID-19 Response](#)

Insulin Access and Affordability

The Lilly Diabetes Solution Center



Changes in the U.S. health care system have led to greater consumer cost-sharing and a growing number of patients exposed to a medicine's full retail price. This has left some Americans struggling to pay for their medicine. Lilly is actively working with other key stakeholders to seek long-term policy solutions to address the gaps in our current health care system. We remain committed to finding solutions – both legislative and non-legislative – that will help people with chronic diseases have affordable access to their medicine. Find more information below.

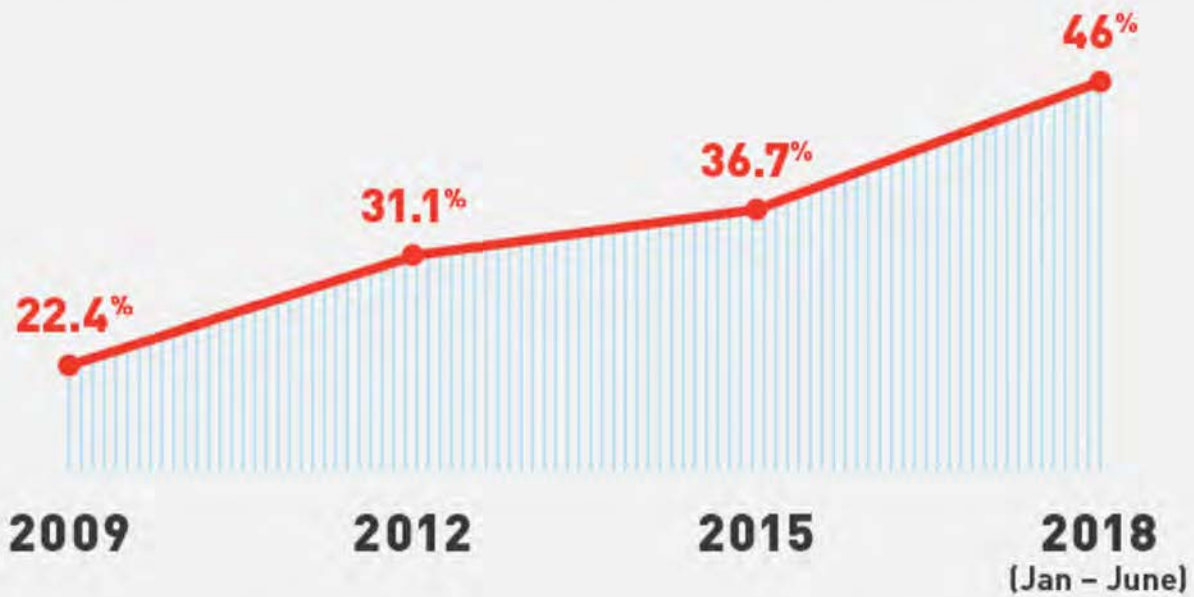
The Current U.S. Health Care Environment



Insurance Design

Insurance design is changing and patients are responsible for more cost sharing. More and more, Americans do not pay for their medicines with a co-pay. Now, nearly half of adults with commercial insurance have a high-deductible health plan (HDHP), meaning people might pay thousands of dollars out-of-pocket before coverage kicks in. This is a big contributor to the insulin affordability issue.

ENROLLMENT IN HIGH-DEDUCTIBLE HEALTH PLANS



● Percentage of Americans under age 65 with commercial health insurance enrolled in a high-deductible health plan

Compiled using National Health Interview Survey Early Release Estimates. Data sourced from National Health Interview Survey's Early Release Estimates annual reports, 2009-2017, and 2018 January - June Early Release Report, available at <https://www.cdc.gov/nchs/nhis/releases.htm>. Last accessed February 19, 2019.

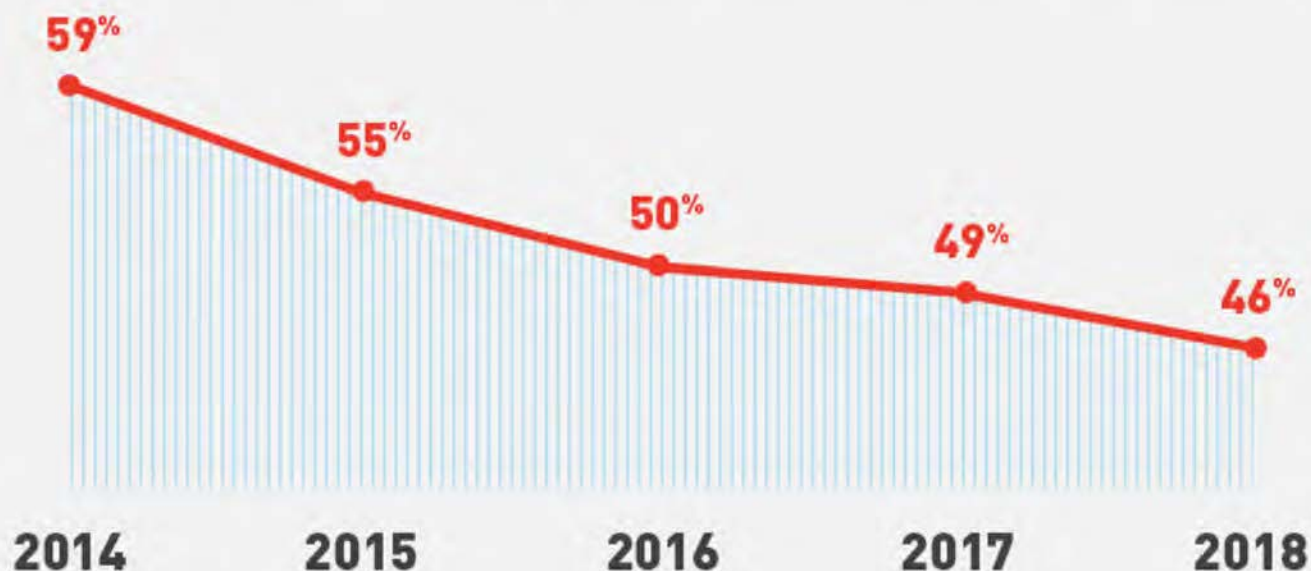
Rebates

Lilly, like other manufacturers, sets a list price for our medicines. To enable patient access, Lilly pays rebates and other discounts to payers and other supply chain entities. The final amount that Lilly ultimately realizes after paying these rebates and discounts is sometimes called the "net price." Across our U.S. product portfolio, Lilly's average net price after rebates and discounts – the final amount we receive – has fallen from 59 percent of list price in 2014 to 46 percent in 2018. The amount of Lilly's rebates and discounts continues to increase through a combination of factors – including increased market competition, pharmacy benefit managers' (PBMs) increased negotiation leverage and rising mandatory government discounts. For insulins, rebates to the government, in certain programs, result in net prices among the lowest in the world, and lower than developed markets with single-payer, direct-purchase models.

These rebates continue to widen the gap between list and net prices, the amount that is ultimately realized by Lilly. Because of these growing rebates and discounts, the average U.S. net price of Lilly medicines – the final amount we receive from selling our products – declined 0.5% last year.

Factors that create this gap also contribute to the rising costs consumers pay at the pharmacy. The trends toward high-deductible health plans and greater consumer cost-sharing have exposed some people to medicines' full retail prices. Under this type of insurance design, many consumers are not benefitting from the rebates Lilly provides and might pay the full retail price until they meet their deductible and a percentage of the retail price thereafter.

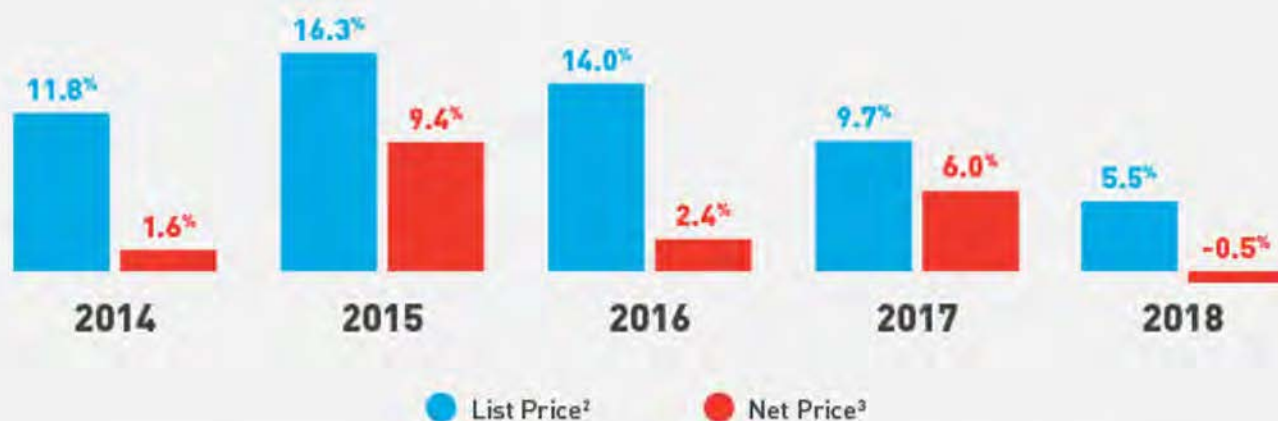
AVERAGE LILLY NET PRICE (AS A % OF LIST PRICE) AFTER DISCOUNTS ACROSS THE U.S. PRODUCT PORTFOLIO¹



¹ The average net price percentage is calculated by dividing net sales, the amount Lilly receives after discounts (rebates and channel cost), by the annual gross sales (total sales at list price, prior to all discounts).

COMPARISON OF LILLY LIST AND NET PRICE CHANGES FOR U.S. PRODUCT PORTFOLIO¹

(% Change Versus the Prior Year)



¹ U.S. Product Portfolio includes all human pharmaceutical products marketed in the U.S. for which Lilly is the holder of the new drug application (NDA). This represents approximately 95 percent of our total U.S. human pharmaceutical revenue. ² List Price represents the weighted average year-over-year change in the wholesale acquisition cost (WAC). ³ Net Price represents weighted average year-over-year change in net price, which is WAC minus rebates, discounts, and channel costs.



Rebate Pass-through

We continue to advocate for insurers to pass through our negotiated rebates directly to consumers at the pharmacy counter.

The current rebate system needs to be reformed. Insurers should pass through the negotiated discounts and rebates directly to consumers. Doing so could save commercially insured patients with high deductibles and coinsurance more than \$800 annually and would increase premiums by 1 percent or less.

A rebate pass-through would lower patients' out-of-pocket costs at the pharmacy counter, with the greatest benefit realized by patients taking more highly rebated products, such as insulin.

First Dollar Coverage

Lilly is supportive of efforts to exempt health care services for chronic conditions – including medicines such as insulins – from a health insurance plan's deductible ("first dollar coverage").

The Department of Treasury/Internal Revenue Service [recently released guidance](#) confirming that HDHPs may provide coverage of insulin and other listed chronic disease medicines without first satisfying the minimum deductible otherwise required for HDHPs.

Medicare Part D OOP Caps

Lilly supports legislative action to cap out-of-pocket costs for patients in Medicare Part D. We believe a cap would provide a critical financial safeguard for patients, leading to better treatment adherence and improvements in overall health status. Also, as of Jan. 1, 2021, Lilly offers all insulin formulations in the Centers for Medicare and Medicaid Services' [Part D Senior Savings model](#), which makes Part D recipients eligible for the \$35 monthly price if their insurance plan participates.

Employer-led Initiatives

Absent legislation around rebate pass-through and first dollar coverage, employers can play a key role in patient access and affordability by offering benefits that help reduce their own employees' medical costs. As an employer, Lilly provides the following benefits in our employee health plans:

- Prescription drug rebates are passed through to the consumer at the pharmacy counter to help our employees, retirees, and their families with their OOP medicine costs. In 2018, more than 11,000 Lilly employees, retirees and their families benefited – and their costs were reduced by more than \$2 million.
- Preventive and chronic disease medications, such as insulin, are exempted from the deductible of our employees' health plans to ensure there are no barriers for accessing medicines critical to their overall health and well-being. In 2020, Lilly began reducing co-insurance to zero for insulins, meaning our plan participants pay nothing at all.
- Contributions are made to employees' and their families' Health Savings or Health Reimbursement accounts at the beginning of the year, with funds available immediately.
- Eligible employees and their family members with diabetes are provided a free connected glucose meter and related supplies, along with real-time support from trained diabetes educators.



Lilly Diabetes Solution Center



[Get Help Paying For Your Insulin](#)



The Insulin Affordability Conversation



[Understanding Insulin Pricing](#)

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Exhibit G

[Copy of Eli Lilly Investors Website – News Release]



Lilly again reduces list price of Insulin Lispro Injection as latest change to affordability options

September 28, 2021

Lilly's Insulin Lispro Injection, 100 units/mL -- first introduced at half the list price of branded Humalog® (insulin lispro injection, 100 units/mL) in 2019 -- will now have a 70 percent lower list price than Humalog U-100 starting January 1, 2022
Insulin Lispro Injection can be ordered through all U.S. retail pharmacies
Monthly prescriptions for all Lilly insulins -- including Insulin Lispro Injection -- remain available for \$35 through the Lilly Insulin Value Program and the Medicare Part D Senior Savings Model

INDIANAPOLIS, Sept. 28, 2021 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) will lower the list price of Insulin Lispro Injection in the U.S. by an additional 40 percent effective January 1, 2022, effectively bringing the list price down to 2008 levels. The new list price will apply to all Lilly's non-branded insulins, including Insulin Lispro Injection, a lower list-priced alternative to Humalog U-100.

The new lower list price is the latest among numerous options that can reduce out-of-pocket costs for Lilly insulin at U.S. retail pharmacies. People using any Lilly insulin – including Insulin Lispro Injection – can fill their monthly prescription for \$35 through the Lilly Insulin Value Program for people with commercial insurance or who are uninsured, and the Senior Savings Model for seniors in participating Medicare Part D plans.

The new list price for Insulin Lispro Injection will be \$82.41 for individual vials and \$159.12 for a pack of five pens – which is 70 percent less than Lilly's branded Humalog U-100 counterparts and can help people who have not activated one of Lilly's affordability solutions.

"Lilly has introduced numerous affordability programs since 2017. Collectively, these solutions are significantly lowering the out-of-pocket costs for people using our insulins," said David A. Ricks, Lilly's chairman and CEO. "Today's list price cut can further help people who are exposed within our healthcare system – the underinsured and uninsured. Half list-priced Insulin Lispro Injection has been adopted by a third of Humalog U-100 consumers. We hope this additional 40 percent cut can expand affordable insulin to more people with diabetes."

Lilly's numerous affordability solutions, combined with insurance coverage, have lowered the average monthly out-of-pocket cost for a prescription of Lilly insulin (regardless of the number of vials or pens) to \$28.05, a 27 percent decrease over the past four years. In addition to lowering the list price of Insulin Lispro Injection, Lilly will keep other affordability programs in place for people using Lilly insulins – including the \$35 co-pay card for the uninsured and people with commercial insurance, and the Senior Savings Model for people in participating Medicare Part D plans.

Insulin Lispro Injection Access

All major wholesalers stock and deliver Insulin Lispro Injection to U.S. pharmacies, and payers will continue to have the opportunity to make the lower list-priced insulins available to people living with diabetes. Pharmacists can substitute Insulin Lispro Injection U-100 for Humalog U-100 without a new prescription because they are the same insulin. Any retail pharmacy that does not stock Insulin Lispro Injection can obtain it from a wholesaler in 1-2 days.

Approximately 1 in 3 prescriptions for Lilly's U-100 mealtime insulin – Lilly's most commonly used insulin formulation – is for Insulin Lispro Injection.

The greatest benefit will be seen by people who face higher out-of-pocket costs – such as people without insurance and those with high deductible plans or co-insurance. Most people using Insulin Lispro Injection are unlikely to see a change in what they pay for their monthly prescription because they have fixed insurance co-pays or already use one of Lilly's affordability programs. Therefore, people should continue to refill insulin prescriptions at their normal pace. Given that out-of-pocket costs at the pharmacy can vary greatly due to insurance plan designs and co-pays, people should ask their pharmacist whether these lower list-priced options reduce their out-of-pocket costs.

"The affordability options we have introduced in recent years have helped many people who were struggling to afford their insulin," said Mike Mason, president, Lilly Diabetes. "Regardless of their circumstances, people who cannot afford their Lilly insulin should call the Lilly Diabetes Solution Center, or go to insulinaffordability.com, to find solutions to help them lower their out-of-pocket costs."

People who pay more than \$35 a month for their prescription of Lilly insulin can lower their out-of-pocket costs by visiting insulinaffordability.com or by calling the Lilly Diabetes Solution Center at (833) 808-1234.

PURPOSE and SAFETY SUMMARY

Important Facts About Humalog® (HU-ma-log) and Insulin Lispro Injection

- Humalog is also known as insulin lispro injection.
- Humalog and Insulin Lispro Injection are fast-acting insulins. They are used to control high blood sugar in adults and children with diabetes. They are available only with a prescription.
- Humalog comes in two strengths: U-100 (100 units per milliliter) and U-200 (200 units per milliliter). The Humalog U-200 prefilled pen contains **2 times as much insulin** per 1 milliliter as standard (U-100) insulin. The dose window on the pen shows your insulin dose.
- It is not known if Humalog or Insulin Lispro Injection are safe and effective for children with type 2 diabetes or for children younger than 3 years of age with type 1 diabetes. There were no studies done with these insulins in these groups of children. If your doctor decides to give your child one of these insulins, he or she may give you special instructions.

Important Facts about Humalog® Mix50/50™, Humalog® Mix75/25™, and Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25

- Humalog Mix50/50 and Humalog Mix75/25 are known as insulin lispro protamine and insulin lispro injectible suspension.
- Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25 are mixed U-100 insulins. This means they contain a mix of fast-acting and intermediate-acting insulins. They are used to control high blood sugar in people with diabetes. They are available only with a prescription.
- It is not known if Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25 are safe and effective for children younger than 18 years of age. There were no studies done with these insulins in children younger than 18. If your doctor decides to give your child one of these insulins, he or she may give you special instructions.

All Humalog and Insulin Lispro Injection products contain insulin lispro. Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25 contain insulin lispro protamine mixed with insulin lispro.

Warnings

Do not take Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25 if you have:

- symptoms of low blood sugar (hypoglycemia)
- an allergy to insulin lispro products or any of their ingredients.

Do not reuse needles or share your insulin injection supplies with other people. This includes your:

- prefilled pen for use by a single patient
- cartridges
- reusable pen that works with Lilly 3mL cartridges
- needles
- syringes

You or the other person can get a serious infection. This can happen even if you change the needle.

Do not change the type of insulin you take or your dose, unless your doctor tells you to. This could cause low or high blood sugar, which could be serious.

Do not use a syringe to remove Humalog from your prefilled pen. This can cause you to take too much insulin. Taking too much insulin can lead to severe low blood sugar. This may result in seizures or death.

Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25 may cause serious side effects. Some of these can lead to death. The possible serious side effects are:

- **Low blood sugar.** This can cause:

- dizziness or light-headedness
- headache
- shakiness
- irritability
- sweating
- blurred vision
- fast heartbeat
- mood change
- confusion
- slurred speech
- anxiety
- hunger

If you are at risk of having severely low blood sugar, your doctor may prescribe a glucagon emergency kit. These are used when your blood sugar becomes too low and you are unable to take sugar by mouth. Glucagon helps your body release sugar into your bloodstream.

- **Severe allergic reaction.**

Get emergency help right away if you have:

- a rash over your whole body
- sweating
- extreme drowsiness
- swelling of your face, tongue, or throat
- trouble breathing
- a faint feeling
- dizziness
- a fast heartbeat
- shortness of breath
- confusion

- **Low potassium in your blood.** This can lead to severe breathing problems, irregular heartbeat, and death.

- **Heart failure.** Taking diabetes pills called thiazolidinediones (thIe-uh-zOH-li-dEEen-dIE-OHns), or "TZDs," with insulin lispro products may cause heart failure in some people. This includes people who do not have any heart problems. If you have heart failure, it may get worse if you take TZDs with these insulin lispro products. Tell your doctor if you have any new symptoms of heart failure, or if they get worse. Some symptoms of heart failure include: shortness of breath, swelling of ankles and feet, and sudden weight gain. Your doctor may need to change or stop treatment with TZDs and your insulin lispro product.

- **High blood sugar and ketoacidosis.** You can have these serious problems when your insulin pump or infusion set stops working. They can also happen if your insulin is no longer effective. For these reasons, always keep extra insulin injection supplies with you.

Common side effects

The most common side effects of **Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25** are:

- low blood sugar
- reactions where you have injected insulin
- swelling of your hands or feet
- itching
- allergic reactions
- changes in fat tissue where you have injected insulin
- weight gain
- rash

These are not all of the possible side effects. Tell your doctor if you have any side effects. You can report side effects at 1-800-FDA-1088 or www.fda.gov/medwatch.

Before using

Talk with your doctor about low blood sugar and how to manage it. Also tell your doctor:

- about all of the medicines you take, including over-the-counter medicines, vitamins, and herbal supplements.
- about any other prescription medicines you take, especially ones called TZDs.
- about all of your medical conditions, including if you have heart failure or other heart, liver, or kidney problems.
- if you are pregnant, breastfeeding, or plan to become pregnant or breastfeed.

How to take

Read the **Instructions for Use** that come with your **Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25**. Be sure to take your insulin lispro product and **check your blood sugar levels** exactly as your doctor tells you to. Your doctor may tell you to change your dose because of illness, increased stress, or changes in your weight, diet, or physical activity level. He or she may also tell you to change the amount or time of your dose because of other medicines or different types of insulin you take.

Before injecting your insulin lispro product

You can inject your insulin dose yourself, or you can have a trained caregiver inject it for you. Make sure you or your caregiver:

- Check the insulin label before each injection. This will help you make sure that you are taking the correct insulin.
- Use a new needle for each injection. You can get a serious infection or the wrong dose of insulin if you re-use needles.
- Change (rotate) where you inject your insulin with each dose. This can reduce your chance of getting pits, lumps, or thickened skin where you inject your insulin. **Do not** inject your insulin into the exact same spot or where the skin has pits or lumps. **Avoid** injecting into thickened, tender, bruised, scaly, hard, scarred, or damaged skin.

When you are ready to inject

- If you are taking Humalog or Insulin Lispro Injection, inject it under your skin within 15 minutes before or right after you eat a meal.
- If you are taking Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25, inject it under your skin within 15 minutes before you eat a meal.

Staying safe while taking your insulin lispro product

To stay safe while taking your insulin, be sure to **never** inject Humalog U-200, Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25 in your vein, muscle, or with an insulin pump. Also be sure **not to**:

- mix Humalog U-200, Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25 with other insulins or liquids.
- drive or use heavy machinery until you know how your insulin lispro product affects you.
- drink alcohol or use other medicines that contain alcohol when taking your insulin lispro product.

Learn more

For more information, call 1-800-545-5979 or go to www.humalog.com or www.lillyinsulinlispro.com.

This summary provides basic information about Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectible Suspension Mix75/25. It does not include all information known about these medicines. Read the information that comes with your prescription each time your prescription is filled. This information does not take the place of talking with your doctor. Be sure to talk to your doctor or other health care provider about your insulin lispro product and how to take it. Your doctor is the best person to help you decide if these medicines are right for you.

Humalog[®], Humalog[®] Mix50/50 [™], and Humalog[®] Mix75/25 [™] are trademarks and registered trademarks owned or licensed by Eli Lilly and Company, its subsidiaries, or affiliates.

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For additional information, talk to your healthcare providers and please click to access Humalog [Full Prescribing Information](#) and [Patient Information](#), Humalog U-200 [Patient Information](#), Humalog Mix75/25 [Full Prescribing Information](#) and [Patient Information](#), Humalog Mix50/50 [Full Prescribing Information](#) and [Patient Information](#), Insulin Lispro Injection [Full Prescribing Information](#) and [Patient Information](#), Insulin Lispro Protamine and Insulin Lispro Injactable Suspension Mix75/25 [Full Prescribing Information](#) and [Patient Information](#).

Please see Instructions for Use included with the product.

About Diabetes

Approximately 34 million Americans¹ (just over 1 in 10) and an estimated 463 million adults worldwide² have diabetes. Type 2 diabetes is the most common type internationally, accounting for an estimated 90 to 95 percent of all diabetes cases in the United States alone.² Diabetes is a chronic disease that occurs when the body does not properly produce or use the hormone insulin.

About Lilly Diabetes

Lilly has been a global leader in diabetes care since 1923, when we introduced the world's first commercial insulin. Today we are building upon this heritage by working to meet the diverse needs of people with diabetes and those who care for them. Through research, collaboration and quality manufacturing we strive to make life better for people affected by diabetes and related conditions. We work to deliver breakthrough outcomes through innovative solutions—from medicines and technologies to support programs and more. For the latest updates, visit <http://www.lillydiabetes.com/> or follow us on Twitter: [@LillyDiabetes](#) and Facebook: [LillyDiabetesUS](#).

About Eli Lilly and Company

Lilly is a global health care leader that unites caring with discovery to create medicines that make life better for people around the world. We were founded more than a century ago by a man committed to creating high-quality medicines that meet real needs, and today we remain true to that mission in all our work. Across the globe, Lilly employees work to discover and bring life-changing medicines to those who need them, improve the understanding and management of disease, and give back to communities through philanthropy and volunteerism. To learn more about Lilly, please visit us at lilly.com and lilly.com/newsroom. P-LLY

Lilly Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) and reflects Lilly's current beliefs. Among other things, there is no guarantee that future study results will be consistent with study findings to date. For further discussion of these and other risks and uncertainties, see Lilly's Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission. Except as required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

References

1. Centers for Disease Control and Prevention. National Diabetes Statistics Report, 2020. Atlanta, GA: Centers for Disease Control and Prevention, U.S. Dept. of Health and Human Services; 2020.
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Exhibit H

[Copy of Payments to Health-Care Professionals Website]

Payments to Health Care Professionals



Lilly collaborates with health care professionals (HCPs) and health care organizations (HCOs) focusing on a single goal: to improve the health and quality of patients' lives. Being transparent about the nature and extent of our relationships makes it possible to build trust and respect for how we work together to benefit patients.

In the United States, Lilly follows disclosure requirements at the local, state and federal levels. Outside the United States, in addition to adhering to local and national legislated requirements for countries in which we operate, Lilly participates in voluntary disclosure codes led by local trade associations. One such example is the European Federation of Pharmaceutical Industries and Associations (EFPIA), which has established the EFPIA HCP/HCO Disclosure Code as well as the EFPIA Patient Organization Code. Lilly views our commitment to transparency and disclosure as an opportunity to ensure that patients, HCPs, HCOs and business partners feel confident when engaging with Lilly.

Lilly is a research-based biopharmaceutical company, so it is not surprising that we spend the most with physicians and institutions conducting research. Without these collaborations, new medicines could never reach the patients who are living with diseases and awaiting treatment options.

We believe HCPs should be compensated at a fair rate for their time and expertise whether they are scientists helping to research a potential new treatment, HCPs contracting to advise us on medical and scientific matters or physicians conducting an educational program for Lilly with their peers. We maintain a comprehensive process for determining rates including regular reviews to ensure we remain compliant with internal and external requirements. Disclosing financial relationships with HCPs and HCOs lets patients, caregivers and other key stakeholders see and better understand the collaborations and interactions their own medical professionals have with Lilly.

U.S. Federal Reporting

Lilly adheres to the requirements set forth by the federal law known as the Physician Payment Sunshine Act (also called "Open Payments"), which is part of the broader US Affordable Care Act. It requires the biopharmaceutical and medical device manufacturing industry to report certain financial interactions to a defined group of Health Care Professionals and Teaching Hospitals. Interactions include items such as payments for services provided for research, or food and beverage provided during an educational program. Lilly reports these financial interactions to the Centers for Medicare and Medicaid Services (CMS). On an annual basis, CMS makes all reported industry financial interactions public in a searchable [Open Payments Database](#). On the site, you can view if a Health Care Provider or a particular Teaching Hospital has had financial interactions with industry.

U.S. State Reporting

In addition to federal Open Payments requirements, some cities, numerous states and the District of Columbia have established broader definitions and policies for monitoring and reporting our interactions with HCPs and HCOs. Each disclosure has a unique set of requirements. For instance, in some states we can provide a physician a meal as long as it doesn't exceed a certain value and is provided in the proper context. In other states, industry is prohibited from providing meals to physicians.

European Regional Reporting

In Europe, some countries have laws requiring industry to report financial interactions with HCPs and HCOs. In other countries, transparency reporting is voluntary. Across the region, as a member of the EFPIA, we adhere to the HCP/HCO Disclosure Code and Patient Organization Code. We've joined these initiatives to further our commitment to transparently report our financial interactions because we believe the work we do with HCPs and HCOs ultimately benefits patients. Some examples of what we publicly disclose per EFPIA include; research and development, service fees, travel and accommodation, sponsorships, and grants and donations. These data are reported publicly on an annual basis.

Please consult [EFPIA's website](#) for additional information on the HCP/HCO and Patient Organization Codes. You can also view more on Lilly's commitment to transparency in Europe [here](#), or view our [EFPIA Patient Organization Disclosure](#).

Reporting in the Rest of the World

Disclosures are now prevalent in approximately 50 countries in virtually every region of the world. Lilly believes financial relationships should be disclosed publicly at levels that are meaningful and improve the understanding of the interactions between industry and HCPs and HCO as such information can serve to build trust with patients, caregivers, and other stakeholders. Lilly adheres to the transparency disclosure requirements as set forth in the applicable National and Regional code or law." Read more about Lilly's position on HCP and HCO Transfer of Value (ToV) disclosures:

- [Lilly HCP HCO Transfer of Value Transparency Position 2021](#)

Exhibit I

[Copy of Corporate Governance Guidelines]

Corporate Governance Guidelines

These guidelines establish the basic principles of corporate governance by which Eli Lilly and Company operates. The company believes that a strong system of corporate governance is critical to creating long-term shareholder value. In pursuit of this objective, the interests of all the corporation's principal constituents are considered: shareholders, patients, health care professionals and payers, employees, partners and suppliers, and local communities. It is important to balance the interests of the corporation's many divergent constituents, as there can be no long-term shareholder value creation without fair treatment of all those who touch or are touched by the corporation.

These guidelines are approved and amended by the board of directors. The Directors and Corporate Governance Committee reviews the guidelines annually and recommends to the board any amendments to these guidelines.

Role of the Board

The directors of Eli Lilly and Company are elected by the company's shareholders to oversee the actions and results of the company's management. Their responsibilities include:

- providing general oversight of the business
- approving corporate strategy
- approving major management initiatives
- providing oversight of legal and ethical conduct
- overseeing the company's management of significant business risks
- overseeing capital allocation

- selecting, compensating, and evaluating directors
- evaluating board processes and performance
- selecting, compensating, evaluating, and, when necessary, replacing the chief executive officer, and compensating other senior executives
- ensuring that a succession plan is in place for all senior executives.

Composition of the Board

Board Size

The board believes that its appropriate size is 10-13 directors. However, it may be expedient to increase the size of the board temporarily from time to time in anticipation of retirements or to take advantage of the availability of outstanding director candidates.

Mix of Officer-Directors and Independent Directors

There should always be a substantial majority (75 percent or more) of independent directors. The chief executive officer should be a board member, but no officer, other than the chief executive officer, should expect to be elected to the board by virtue of his or her position in the company.

Criteria to Qualify as an Independent Director

The board annually determines and discloses the independence of directors. The Directors and Corporate Governance Committee reviews the independence of each director annually and makes recommendations to the board.



No director is considered independent unless the board has determined that he or she has no material relationship with the company, either directly or as a partner, significant shareholder, or officer of an organization that has a material relationship with the company. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others.

In applying the general principles set forth above, the board has adopted the categorical independence standards for directors established in the New York Stock Exchange listing standards, except that the “look-back period” for determining whether a director’s prior relationship with the company impairs independence is extended from three to four years.

In addition, members of the Audit, Compensation, and Directors and Corporate Governance committees must meet all applicable independence tests of the New York Stock Exchange, Securities and Exchange Commission, and Internal Revenue Service.

Selection of Director Candidates

The board is responsible for selecting candidates for board membership and for establishing the general criteria to be used in identifying potential candidates. The Directors and Corporate Governance Committee, together with the lead director, leads the director succession planning process. The committee makes recommendations to the board for nominations, identifies and screens potential new candidates and, with input from all other board members, assesses the contributions of incumbent directors whose terms are expiring.

The committee maintains a continuing program of director succession planning. The committee considers recommendations from other board members, management, and shareholders as to potential new

director candidates, and may retain search firms to assist in identifying and screening candidates.

The board selects director candidates who represent a mix of backgrounds and experiences that will enhance the quality of the board’s deliberations and decisions. Such candidates shall have substantial experience with one or more publicly traded national or multinational companies or shall have achieved a high level of distinction in their chosen field. Board membership should reflect diversity in its broadest sense, including persons diverse in geography, gender, and ethnicity. The board is particularly interested in maintaining a mix that includes, but is not necessarily limited to, the following backgrounds:

- active or retired chief executive officers and senior executives, particularly those with experience in operations, finance, accounting, banking, and marketing and sales
- international business
- medicine and science
- government and public policy
- health care systems (public or private).

Board members should display the personal attributes necessary to be an effective director: unquestioned integrity, sound judgment, independence in fact and mindset, ability to operate collaboratively, and commitment to the company, its shareholders and its other constituencies.

The Directors and Corporate Governance Committee periodically reviews with the board the criteria for the selection of directors.

Process for Extending the Invitation to a Potential New Director

After the Directors and Corporate Governance Committee selects a new candidate for board membership, the committee presents its recommendation to the board for approval. Upon approval by the



board, the invitation to join the board is extended to the candidate by the chairman of the board.

Director Tenure and Retirement Policy

The board comprises three classes of directors, with approximately one-third of the directors assigned to each class. The members of each class are elected for a term of three years. There is no limit on the number of terms for which a director may be elected.

Subject to the company's charter documents, the following are the board's expectations for director tenure:

- A company officer-director, including the chief executive officer, will resign from the board at the time he or she retires or otherwise ceases to be an active employee of the company.
- Non-employee directors will retire from the board not later than the annual meeting of shareholders that follows their seventy-second birthday. The board may make exceptions to this policy on the recommendation of the Directors and Corporate Governance Committee.
- Directors may stand for reelection even though the board's retirement policy would prevent them from completing a full three-year term.
- A non-employee director who retires or changes principal job responsibilities will offer to resign from the board. The Directors and Corporate Governance Committee will assess the situation and recommend to the board whether to accept the resignation.

Other Board Service

In general, no director may serve on more than three other public company boards. The Directors and Corporate Governance Committee or the chairperson of that committee may approve exceptions to this limit upon a determination that such additional service will not impair the director's effectiveness on the Lilly board.

Board Confidentiality Policy

The board has adopted a Board Confidentiality Policy, which requires directors to agree to hold in confidence all information obtained in their roles as directors, except under certain limited circumstances set forth within the Policy.

Voting for Directors

In an uncontested election, directors are elected by a majority of the votes cast. Under the Bylaws, any incumbent nominee for director who does not receive the favorable vote of a majority of the votes cast in his or her election shall promptly tender a resignation following certification of the shareholder vote.

The Directors and Corporate Governance Committee will consider the resignation offer and recommend to the board whether to accept it. The board will act on the recommendation within 90 days following the certification of the results of the shareholder meeting. Board action on the matter will require the approval of a majority of the independent directors.

The company will disclose the board's decision on a Form 8-K furnished or filed with the Securities and Exchange Commission within four business days after the decision, including a full explanation of the process by which the decision was reached and, if applicable, the reasons why the board rejected the directors' resignation. If the resignation is accepted, the Directors and Corporate Governance Committee will recommend to the board whether to fill the vacancy or reduce the size of the board.

Any director who tenders his or her resignation pursuant to this provision shall not participate in the committee or board deliberations regarding whether to accept the resignation offer.



If all members of the Directors and Corporate Governance Committee received a majority of “against” votes at the same election, then the independent directors who did not receive a majority of “against” votes shall appoint a committee amongst themselves to consider the resignation offers and recommend to the board whether to accept them.

Compensation of Board Members

Director Compensation Philosophy

The company targets the overall value of its non-employee director pay to the median of comparable premier U.S. companies, with consideration of both the pharmaceutical industry and selected leading U.S. companies in other industries. The form and amount of director compensation should give due regard to the interests of the directors, the company, and the shareholders, and the board has approved a cap to director compensation.

Director Equity Ownership

Directors should hold meaningful equity ownership positions in the company. Accordingly, a significant portion of director compensation is made in the form of company equity. Annual stock awards are made in the form of deferred shares that may not be sold by the director until his or her service as a director ends. As a result, directors build a substantial long-term ownership interest in the company over time. Non-employee directors are expected to hold Lilly stock, either directly or through company plans, valued at not less than five times their annual cash board retainer. New directors are given five years to reach this ownership level. Directors are prohibited from hedging their Lilly stock and from pledging, or using as collateral, their Lilly stock.

Approval Process

Director compensation is reviewed annually by the board on the recommendation of the Directors and Corporate Governance Committee. Assisted by an independent consultant, company management reports annually to the committee concerning the status of the board compensation program relative to those of other comparable U.S. corporations.

Key Board Responsibilities

Selection of the Chairman and Chief Executive Officer

The board currently combines the role of chairman of the board with the role of chief executive officer, coupled with a strong, independent, and clearly defined lead director position to further strengthen the governance structure. The board believes this provides an efficient and effective leadership model for the company. Combining the chairman and CEO roles fosters clear accountability, effective decision-making, and alignment on corporate strategy. To assure effective independent oversight, the board has adopted a number of governance practices, including:

- A strong, independent, clearly defined lead director role
- Executive sessions of the independent directors after every regular board meeting
- Annual performance evaluation of the CEO by the independent directors.

However, no single leadership model is right for all companies and at all times. Depending on the circumstances, other leadership models, such as a separate independent chairman of the board, might be appropriate. Accordingly, the board periodically reviews its leadership structure.



The lead director recommends to the board an appropriate process by which a new chairman and CEO will be selected. The board has no required procedure for executing this responsibility because it believes that the most appropriate process will depend on the circumstances surrounding each such decision.

Evaluation of the Chief Executive Officer

The lead director is responsible for leading the independent directors in executive session to assess the performance of the chief executive officer at least annually. The results of this assessment are reviewed with the chief executive officer and considered by the Compensation Committee in establishing the CEO's compensation for the next year.

Succession Management and Election of Officers

A key responsibility of the CEO and the board is ensuring that an effective process is in place to provide continuity of leadership over the long term. Each year, succession planning reviews culminate in a detailed review of top leadership talent by the Compensation Committee and a summary review by the independent directors as a whole. During this review, the CEO and independent directors discuss future candidates for senior leadership roles, succession timing, and development plans for the highest-potential candidates.

Consistent with the succession management plan, the chief executive officer recommends to the board candidates for the company's principal corporate offices.

In addition, the CEO maintains at all times and reviews with the independent directors a confidential plan for the timely and efficient transfer of his or her responsibilities in the event of an emergency or his or her sudden departure, incapacity, or death.

Corporate Strategy

Once each year, the board devotes an extended meeting to an update from management regarding the strategic issues and opportunities

facing the company, allowing the board an opportunity to provide direction for the corporate strategic plan. These strategy sessions also provide the board an opportunity to interact extensively with the company's senior leadership team. This assists the board in its succession management responsibilities.

Throughout the year, significant corporate strategy decisions are brought to the board in a timely way for its consideration.

Code of Ethics

The board approves the company's code of ethics, which is set out in:

- *The Red Book*, a comprehensive code of ethical and legal business conduct applicable to all employees and the board of directors; and
- *Code of Ethical Conduct for Lilly Financial Management*, a supplemental code for the CEO and all members of financial management that recognizes the unique responsibilities of those individuals in assuring proper accounting, financial reporting and controls, and financial stewardship.

The board reviews the company's overall state of compliance at least annually. The Audit Committee and the Ethics and Compliance Committee assist in the board's oversight of compliance programs with respect to matters covered in the code of ethics.

Enterprise Risk Management

Once each year, the board reviews a summary of the company's assessment of and approach to enterprise level risks. Throughout the year, significant areas of risk are brought to the board, or the appropriate committee, for consideration. The Audit Committee oversees the process by which the company identifies and creates mitigation plans for enterprise level risks.



Sustainability

The board and the Directors and Governance Committee oversee the company's approach to current and emerging political, social, environmental, and governance trends and public policy issues that may affect the company's business operations, performance or reputation.

Functioning of the Board

Executive Sessions of Directors

At every regular board meeting, the independent directors meet in executive session without any members of management present and also meet in executive session with the CEO.

Lead Director

The board annually appoints a lead director from among the independent directors. The board has no set policy for rotation of the lead director role but believes that periodic rotation is appropriate.

The lead director:

- leads the board's processes for selecting and evaluating the CEO;
- presides at all meetings of the board at which the chairman is not present, including executive sessions of the independent directors unless the directors decide that, due to the subject matter of the session, another independent director should preside;
- serves as a liaison between the chairman and the independent directors; it is not intended that this role impair communication between individual directors and the chairman;
- approves meeting agendas and schedules and generally approves information sent to the board;
- has the authority to call meetings of the independent directors;
- in conjunction with the Directors and Corporate Governance Committee, leads the director succession planning process; and

- has the authority to retain advisors to the independent directors.

Conflicts of Interest

Occasionally a director's business or personal relationships may give rise to an interest that conflicts, or appears to conflict, with the interests of the company. A director must disclose to the company all relationships that create a conflict or appearance of a conflict. The board, after consultation with counsel, takes appropriate steps to identify actual or apparent conflicts and to ensure that all directors voting on an issue are disinterested with respect to that issue. A director will be excused from discussions on the issue, as appropriate.

In addition, a director's relationship with Lilly may give rise to an interest that conflicts, or appears to conflict, with the interests of another company, institution, or other stakeholder. A director must disclose his or her relationship with Lilly in connection with any scientific publication, using the International Committee of Medical Journal Editors (ICMJE) conflict of interest form for this purpose when possible. Each director must disclose his or her service on the board to his or her employer and any other organization with which the director has a relationship of trust and where the relationship with the company is relevant. In addition, directors must follow the internal conflict of interest policies and procedures of each such organization.

Conflicts of Interest Unique to Officer-Directors

Board decisions on certain matters of corporate governance are made solely by the independent directors. These include executive compensation and the selection, evaluation, and removal of the chief executive officer.

Orientation of New Directors; Director Education

An orientation process is in place for all new directors and includes comprehensive background briefings by the chairman and CEO, other company leaders, and the corporate secretary. The orientation



program is the responsibility of the chairman and is administered by the corporate secretary. The orientation includes reviews of the pharmaceutical industry and business environment, the company's strategy and operations, compliance and risk management, and corporate governance.

The company provides ongoing education to directors in a number of ways, including:

- financial and operational updates at each board meeting
- an extensive strategic review at the annual corporate strategy meeting as noted above under "Key Board Responsibilities"
- periodic news articles regarding the company, the pharmaceutical industry, the political environment, and corporate governance
- a formal financial education program for the Audit Committee, to which all directors are invited
- periodic presentations to the board by internal and external experts on governance and board fiduciary duties.

The company also affords directors the opportunity to attend external director education programs.

Assessment of Board Processes and Performance

The Directors and Corporate Governance Committee is responsible for annually conducting an assessment of the performance of the board, board committees, and board processes, as well as for reviewing with the board the results of these assessments.

Frequency of Board Meetings

The board holds regularly scheduled meetings five times annually. The board may hold additional meetings from time to time as determined by the needs of the business.

Director Attendance

Each director is expected to attend all meetings of the board and board committees of which the director is a member as well as the annual meeting of shareholders. The board recognizes that occasional meetings may need to be scheduled on short notice when the participation of a director is not possible and that conflicts may arise from time to time that will prevent a director from attending or participating in a regularly scheduled meeting. However, the board expects that each director will make every possible effort to keep such absences to a minimum.

Selection of Agenda Items for Board Meetings

The chairman of the board establishes the agenda for each board meeting, subject to the approval of the lead director. All directors are encouraged to discuss with the chairman, lead director, or corporate secretary any additional items they believe should be considered for the agenda. Each director may raise at any regular board meeting subjects for discussion that are not on the meeting's formal agenda.

Information that is important to the board's understanding of the business of the company is distributed to the board prior to each board meeting and periodically, as appropriate, between board meetings.

Regular Attendance of Nondirectors at Board Meetings

The chairman, at his or her discretion, may invite executive officers of the company to attend all the nonexecutive sessions of board meetings. The chairman, at his or her discretion, may also invite other members of management to attend all or part of specific board meetings.

Director Access to Management and Independent Advisors

Independent directors have direct access to members of management whenever they deem it necessary. Independent directors and board committees are also free to retain and terminate their own



independent advisors, at company expense, whenever they feel it would be desirable to do so. All committees have sole authority to retain, establish compensation and oversee the work of independent advisors to their respective committees.

Board’s Interaction with Institutional Investors, the Press, Customers, and Other Constituencies of the Corporation

The board believes that management should speak for the company. If comments from the board are appropriate, they should ordinarily come from the chairman or from the board’s designated spokesperson.

However, shareholders or other interested parties may communicate directly with the lead director or with the independent directors as a whole. Such communications should be directed in writing to the lead director in care of the company’s secretary.



Board Committees

Number, Structure, and Independence of Committees

The board has established the following committees:

- Audit Committee
- Compensation Committee
- Directors and Corporate Governance Committee
- Ethics and Compliance Committee
- Science and Technology Committee

Only independent directors may serve on the committees.

The charter of each committee is reviewed and approved annually by the respective committee and by the Directors and Corporate Governance Committee. The charters and these guidelines are publicly available on the company's website. The board has the flexibility to form a new committee or to disband an existing committee (except the Audit, Compensation, and Directors and Corporate Governance committees) as it deems appropriate. The chair of each committee reports to the full board, following each committee meeting, with respect to those matters addressed by the committee.

Committee Meetings

Each committee chair, in consultation with committee members, determines the frequency of the meetings of the committee, subject to any minimums that may be specified in the committee charter. Each committee prepares minutes of its meetings.

The chair of each committee, in consultation with the appropriate members of management, develops the committee's agenda.

Each committee member may suggest the inclusion of additional items on the agenda. Each committee member may raise at any regular

committee meeting subjects for discussion that are not on the meeting's formal agenda.

Management assigns an officer to provide and coordinate staff support for each committee. Each committee chair may invite members of management, as appropriate, to attend sessions of committee meetings.

Assignment and Rotation of Committee Members

Each year the Directors and Corporate Governance Committee recommends to the board assignments to committees and the appointment of committee chairs, after consultation with the chairman of the board and after giving due consideration to the backgrounds, skills, and desires of individual directors. The board has no set policy for the regular rotation of committee members or committee chairs but annually reviews and approves committee memberships and chair positions, seeking the best blend of continuity and fresh perspectives on the committees.



Exhibit J

[Evidence of Timing of Receipt of Prior Proposal and Proposal]

From: Catherine Rowan [REDACTED]
Sent: Friday, November 12, 2021 7:03 AM
To: shareholderproposals
Subject: [EXTERNAL] Shareholder proposal filing by Trinity Health
Attachments: Trinity Health Eli Lilly filing packet.pdf

EXTERNAL EMAIL: Use caution before replying, clicking links, and opening attachments.

Good morning,

Please see the attached PDF (filing letter, proposal, verification of ownership) from Trinity Health. We are filing this proposal in hopes that productive dialogue will lead to agreement.

Thank you,
Catherine Rowan

Cathy Rowan
Director, Socially Responsible Investments
Trinity Health



Confidentiality Notice:

This e-mail, including any attachments is the property of Trinity Health and is intended for the sole use of the intended recipient(s). It may contain information that is privileged and confidential. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please delete this message, and reply to the sender regarding the error in a separate email.

From: Laura Krausa [REDACTED]
Sent: Friday, November 12, 2021 4:16 PM
To: shareholderproposals
Cc: [REDACTED]
Subject: [EXTERNAL] Filing Shareholder Proposal on Lobbying Misalignment 2022
Attachments: COMMONSPIRIT LLY Lobbying Alignment Ltr. 2022.docx.pdf; Eli Lilly Lobbying Alignment 2022 FINAL Revised.docx.pdf; Confirmation of Ownership Letter - LLY.pdf

EXTERNAL EMAIL: Use caution before replying, clicking links, and opening attachments.

Dear Ms. Hakim,

This email is sent to inform you that CommonSpirit Health is acting as lead filer for a shareholder proposal on misaligned lobbying practices for 2022. We anticipate that we will be joined by other investors as co-filers.

If you have any questions, please do not hesitate to reach out to me.

Sincerely,
Laura

Laura Krausa, MNM
System Director Advocacy Programs
Advocacy
CommonSpirit Health®

[REDACTED]

[REDACTED]

Caution: This email is both proprietary and confidential, and not intended for transmission to (or receipt by) any unauthorized person(s). If you believe that you have received this email in error, do not read any attachments. Instead, kindly reply to the sender stating that you have received the message in error. Then destroy it and any attachments. Thank you.

Exhibit K

[Copy of Prior Proposal]

RESOLVED that shareholders of Eli Lilly and Company (“Eli Lilly”) ask the board of directors to report to shareholders on how it oversees risks related to anticompetitive practices, including whether the full board or board committee has oversight responsibility, whether and how consideration of such risks is incorporated into board deliberations regarding strategy, and the board’s role in Eli Lilly’s public policy activities related to such risks. The report should be prepared at reasonable expense and should omit confidential or proprietary information, as well as information about existing litigation and claims of which Eli Lilly has notice.

SUPPORTING STATEMENT

The anticompetitive practices of companies within the pharmaceutical supply chain, insulin manufacturers such as Eli Lilly, are receiving increasing scrutiny from the public, regulators, and enforcers. The criticism of Eli Lilly has focused on the company’s insulin pricing strategy, which has resulted in massive price hikes for everyday consumers.ⁱ

In response, regulators and legislators have increasingly focused on the pricing strategies of insulin manufacturers. In early 2021, the Senate Finance Committee issued a Staff Report on the rising cost of insulin, noting that Eli Lilly’s Humalog 50-50 Kwikpen had seen a 64% price increase between 2013 and 2017, and that insulin manufacturers had “aggressively raised the [wholesale acquisition cost] of their insulin products absent significant advances in the efficacy of the drugs.”ⁱⁱ Additionally, in response to high insulin prices, eight states (CO, IL, ME, NM, NY, UT, WA, WV) have capped the price of insulin within their jurisdiction and others are considering adopting similar policies.ⁱⁱⁱ

Separately, the company is facing a multitude of lawsuits around the pricing of its insulin products, including claims from various state attorney generals, class action lawsuits, and other market participants.^{iv} The allegations include claims that Eli Lilly violated both state and federal RICO statutes, was unjustly enriched, and violated various state level consumer protection laws.^v The number and magnitude of lawsuits continues to mount, with the Mississippi Attorney General recently filing a lawsuit against Eli Lilly, alleging that the company colluded with other insulin manufacturers and pharmacy benefit managers to artificially keep insulin prices high.^{vi}

Eli Lilly’s pricing strategies and the resulting mounting pressure on the company increase the likelihood of new regulation, increase risk for investors, and have a substantial impact on the public at large. Given the widespread concern and rapidly changing environment the company finds itself in, we believe that robust board oversight would improve Eli Lilly’s management of the risks related to its anticompetitive practices and that shareholders would benefit from more information about the board’s role.

Therefore, we urge Eli Lilly shareholders to vote FOR this proposal.

ⁱ [https://www.finance.senate.gov/imo/media/doc/Grassley-Wyden%20Insulin%20Report%20\(FINAL%201\).pdf](https://www.finance.senate.gov/imo/media/doc/Grassley-Wyden%20Insulin%20Report%20(FINAL%201).pdf)

ⁱⁱ *Id.*

ⁱⁱⁱ <https://www.nbcnews.com/news/us-news/states-are-trying-cap-price-insulin-pharmaceutical-companies-are-pushing-n1236766>

^{iv} See Eli Lilly and Company 2020 Form 10-K, at 108-109 (<https://investor.lilly.com/static-files/e724cf2c-3a2e-4180-beaf-944ecd588323>).

^v *Id.*

^{vi} <https://seekingalpha.com/news/3706905-eli-lilly-sanofi-and-novo-nordisk-sued-over-insulin-prices>

Exhibit L

[Copy of ICCR Press Release]


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String of shareholder proposals for 2022 proxies seek to move pharma companies to address long-standing access issues

DATE: Dec 1st 2021

On World AIDS Day, investors caution the pharma industry's business model contributes to de-facto apartheid as race and income become focal points in the global struggle to gain access to life-saving medicines.

NEW YORK, NY, WEDNESDAY, DECEMBER 1ST, 2021 – **Members of the Interfaith Center on Corporate Responsibility (ICCR) and Investors for Opioid and Pharmaceutical Accountability (IOPA)** who are shareholders in leading pharmaceutical manufacturers, today **announced a group of proposals they are submitting for 2022 proxies that collectively seek to highlight how the sector is failing to prioritize equitable access to its products,** particularly COVID-19 vaccines, and therapeutics.

As news of the new Omicron variant sent shudders through markets and precipitated border closings around the world, the investors warned pharma companies to act swiftly and responsibly to undo the de-facto vaccine apartheid that they have helped to create. As an example, pharma companies have been actively resisting the imposition of the TRIPS waiver, a temporary waiver of intellectual property (IP) protections for COVID-19 vaccines to facilitate their manufacture by generics companies, which would facilitate global access.

[Seven pharma companies](#)

https://www.iccr.org/sites/default/files/resources_attachments/updated_2022_resolutions_lead_filings_final.jpg will receive proposals, most of them receiving multiple proposals, with requests ranging from reports on how public funding for the development of COVID medicines is being considered in the companies' access strategies to how their lobbying activities align with their public statements regarding access. In all, there are 16 proposals, and **while the requests are different, they are united by the common goal of helping shareholders understand how pharma companies are addressing or failing to address access and affordability gaps.** There are five distinct proposals:

1. **Anti-competitive Practices**

https://www.iccr.org/sites/default/files/resources_attachments/2022_anticompetitive_practices.pdf

(AbbVie; Amgen; Eli Lilly; Gilead; Pfizer): Requests a report on how pharma companies oversee risks related to anti-competitive practices, including whether the full board or board committee has oversight responsibility, whether and how consideration of such risks is incorporated into board deliberations regarding strategy, and the board's role in Pfizer's public policy activities related to such risks.

Said Lydia Kuykendaal of Mercy Investment Services which led the filing at Gilead, ***"In creating 'patent thickets', allegedly infringing on patent rights, and participating in other delay tactics to hinder access to life-saving drugs, Gilead has taken clear steps to put profits over patients. Moreover, as investors, we cannot be expected to adequately operate in a market that is manipulated by illegal anticompetitive behavior."***

2. **Lobbying Alignment with Access Strategies**

https://www.iccr.org/sites/default/files/resources_attachments/2022_lobbying_alignment_with_access.pdf

(Amgen; Eli Lilly; Gilead and J&J): Requests a report on whether the company's lobbying activities (direct and through trade associations) align with the company's own positions on health equity and access. The Board of Directors should report on how it addresses the risks presented by any misaligned lobbying and the company's plans, if any, to mitigate these risks.

Said Kevin Thomas of SHARE, which led the filing at J&J, ***"There's a serious disconnect between the pharma industry's lofty statements about access to medicines and their lobbyists' opposition to any efforts to make***

it a reality. If the company's lobbyists and its trade associations are off in Washington systematically undermining the company's own stated commitments to health equity and access, then it's time for the board to step in and set it right."

3. [Public Investment/Access](#)

(https://www.iccr.org/sites/default/files/resources_attachments/2022_public_investment_3.pdf) (J&J;

Moderna; Pfizer): Requests a report on whether and how receipt by Pfizer or its business partners of public financial support for development and manufacture of vaccines or therapeutics for COVID-19 is being or will be considered when making decisions that affect access to such products, such as setting prices.

Said Cathy Rowan of Trinity Health which led the filing at Pfizer, *"Unequal vaccine access continues to fuel the pandemic. Clearly, governments must address the moral obligation for vaccine equity, but pharmaceutical companies also have a critical responsibility. Pfizer does not disclose whether or how it considers the role played by public funding in expediting the development of the COVID-19 vaccine and in reducing the risk associated with scaling up manufacturing in making decisions that affect vaccine access."*

4. [Racial Equity Audit](#)

(https://www.iccr.org/sites/default/files/resources_attachments/2022_racial_equity_audit_0.pdf) (J&J;

Pfizer): Requests that the board of directors oversees a third-party racial equity audit analyzing the company's impacts on nonwhite stakeholders and communities of color. Input from civil rights organizations, experts on race and healthcare outcomes, and employees should be considered in determining the specific matters to be analyzed.

Said Gerry Hudon, Secretary Treasurer at the Service Employees International Union (SEIU), *"Pfizer's own disclosures have referenced improving access in 'underserved communities' and 'historically disregarded populations'. We also know the distribution of its COVID-19 vaccine has been inequitable in 'underserved communities'. Our requests are about fairness and transparency."*

5. [Transfer of tech and I.P.](#)

(https://www.iccr.org/sites/default/files/resources_attachments/2022_tech_transfer_0.pdf) (Moderna; Pfizer):

Requests a report analyzing the feasibility of promptly transferring intellectual property and technical knowledge ("know-how") to facilitate the production of COVID-19 vaccine doses by additional qualified manufacturers located in low- and middle-income countries, as defined by the World Bank.

Said Abby Maxman President and CEO of Oxfam America which led the filing at Moderna and Pfizer, *"At this moment of unprecedented peril for public health and the global economy, we must seek all options to bring the vaccine to everyone, everywhere as quickly as possible. This must include the transfer of technology to leverage the world's full manufacturing capacity, particularly in low- and middle-income countries. Continuing to prioritize short-term profits over people's lives is not only immoral, it is also a grave risk to all companies, investors, and our economy."*

The investors say today's access to medicine gaps are a repeat of mistakes pharma companies made during the HIV/AIDS pandemic when they failed to prioritize access to AIDS medicines in low- and middle-income countries which disproportionately suffered the ravages of the disease.

ICCR also announced the release of its [Pharmaceutical Equity Expectations](https://www.iccr.org/iccr-pharmaceutical-equity-expectations) (<https://www.iccr.org/iccr-pharmaceutical-equity-expectations>) which provide a roadmap for companies committed to equity, justice, and safeguarding the human right to health.

Said Meg Jones-Monteiro, ICCR's Program Director for Health Equity, *"In light of the lack of movement that companies have made in response to the COVID-19 pandemic and quite frankly what they clearly did not learn from the HIV/AIDS pandemic, we felt we needed to reassert the responsibility of a company to support equitable access through its business model, and not as a philanthropic commitment or simply through statements but rather real, meaningful change."*

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 50th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300-member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs, and other socially responsible investors with combined assets of over \$4 trillion. ICCR members engage hundreds of corporations annually to foster greater corporate accountability. Visit our website www.iccr.org (<https://www.iccr.org>) and follow us on [Twitter](https://twitter.com/ICCRonline) (<https://twitter.com/ICCRonline>), [LinkedIn](https://www.linkedin.com/company/2796329/admin/) (<https://www.linkedin.com/company/2796329/admin/>) , and [Facebook](https://www.facebook.com/interfaithcenteroncorporateresponsibility) (<https://www.facebook.com/interfaithcenteroncorporateresponsibility>).

###

[Press Releases \(/blog-categories/press-releases\)](#)

Exhibit M

[Copy of ICCR's Members]



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ICCR's Members

Who are our Members?



ICCR is a membership organization whose members include faith communities, asset management companies, labor unions, pension funds, NGOs and college and university endowment funds. Membership is structured in 3 levels: **Faith-Based**, **Associate**, and **Affiliate**, whose current members are presented alphabetically below.

Services and benefits differ by level. [See more. \(/node/326\)](#)

Our Faith-Based Members:

- [Adrian Dominican Sisters \(http://www.adriandominicans.org/\)](http://www.adriandominicans.org/)
- [American Baptist Home Mission Society \(http://abhms.org/\)](http://abhms.org/)
- [American Friends Service Committee \(http://www.afsc.org/\)](http://www.afsc.org/)
- Ascension Health System
- [Azzad Asset Management \(https://azzadasset.com/\)](https://azzadasset.com/)
- Benedictine Coalition for Responsible Investment**
- Bon Secours Mercy Health
- Brethren Foundation Funds, Inc.
- California Catholic Congregations for Responsible Investments**
 - Dominican Sisters of Mission San Jose
 - Religious of the Sacred Heart of Mary WPA (Western Province of America)
 - Sisters of St. Dominic, Congregation of the Most Holy Name
 - Sisters of Saint Joseph of Orange
- [Catholic Health Association of the United States \(https://www.chausa.org/\)](https://www.chausa.org/)
- [Christian Brothers Investment Services \(http://www.cbisonline.com/\)](http://www.cbisonline.com/)
- Christian Church Foundation
- [Church of the Brethren Benefit Trust \(http://www.brethrenbenefittrust.org/\)](http://www.brethrenbenefittrust.org/)
- [Church of God in Christ \(COGIC\) \(https://www.cogic.org/symposium/conferences/cogic-urban-initiatives/\)](https://www.cogic.org/symposium/conferences/cogic-urban-initiatives/)
- [CommonSpirit Health \(https://commonspirit.org/\)](https://commonspirit.org/)
- Congregation of St. Basil
- Congregation of St. Joseph
- Congregation of the Sisters of the Holy Cross
- [Domestic and Foreign Missionary Society of the Protestant Episcopal Church \(https://www.episcopalchurch.org/\)](https://www.episcopalchurch.org/)
- [Dominican Sisters of Springfield, Illinois \(http://www.springfieldop.org/\)](http://www.springfieldop.org/)
- [Evangelical Lutheran Church in America \(http://www.elca.org/\)](http://www.elca.org/)
- [Everence Financial \(http://www.everence.com/\)](http://www.everence.com/)

Benefits of ICCR Membership

</membership/benefits-membershi>

How joining ICCR can advance your organization's mission

Meet an ICCR Member

Mark Regier, Everence



Mark Regier of Everence Financial, spee about how ICCR membership has beer integral to Everence's SRI work.

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- Felician Sisters of North America
- Franciscans Friars, Holy Name Province
- [Friends Fiduciary Corporation \(http://www.friendsfiduciary.org/\)](http://www.friendsfiduciary.org/)
- General Board of Global Ministries of the United Methodist Church
- Immaculate Heart Missions Inc.
- Intercommunity Peace & Justice Center
- [Investor Advocates for Social Justice** \(https://iasj.org/\)](https://iasj.org/)
 - [Carmelite Friars \(http://www.carmelitefriars.org/\)](http://www.carmelitefriars.org/)
 - [Congregation of Holy Cross, Moreau Province \(http://www.holycrossbrothers.org/\)](http://www.holycrossbrothers.org/)
 - [Congregation of Notre Dame \(http://cnd-m.org/en/home/\)](http://cnd-m.org/en/home/)
 - [Daughters of Wisdom \(http://daughtersofwisdom.org/\)](http://daughtersofwisdom.org/)
 - [Dominican Friars \(http://dominicanfriars.org/\)](http://dominicanfriars.org/)
 - [Dominican Sisters of Hope \(http://ophope.org/\)](http://ophope.org/)
 - [FADICA \(https://www.fadica.org/\)](https://www.fadica.org/)(Foundations and Donors Interested in Catholic Activities)
 - [Franciscan Missionaries of Mary \(http://www.fmmusa.org/\)](http://www.fmmusa.org/)
 - [Franciscan Sisters of Allegany, NY \(http://www.alleganyfranciscans.org/\)](http://www.alleganyfranciscans.org/)
 - Franciscan Sisters of the Poor
 - [Maryknoll Fathers & Brothers \(http://www.maryknoll.org/\)](http://www.maryknoll.org/)
 - [Maryknoll Sisters \(http://www.maryknoll.org/\)](http://www.maryknoll.org/)
 - [Mercy Investment Services \(http://mercyinvestmentservices.org/\)](http://mercyinvestmentservices.org/)
 - [Province of St. Mary of the Capuchin Order \(http://www.capuchin.org/\)](http://www.capuchin.org/)
 - [Religious of the Sacred Heart of Mary \(http://www.rshm.org/\)](http://www.rshm.org/)
 - [RENEW INTERNATIONAL \(http://www.renewintl.org/\)](http://www.renewintl.org/)
 - [Roman Catholic Diocese of Albany \(http://www.rcda.org/\)](http://www.rcda.org/)
 - [School Sisters of Notre Dame, Atlantic-Midwest Province \(http://www.ssnd.org/atlantic-midwest/\)](http://www.ssnd.org/atlantic-midwest/)
 - [SCL Health \(http://www.sclhealthsystem.org/\)](http://www.sclhealthsystem.org/)
 - [Sisters of Charity of Halifax \(http://www.schalifax.ca/\)](http://www.schalifax.ca/)
 - [Sisters of Charity of Leavenworth \(http://www.scls.org/home.aspx\)](http://www.scls.org/home.aspx)
 - [Sisters of Charity, New York \(http://www.scny.org/\)](http://www.scny.org/)
 - [Sisters of Mary Reparatrix \(https://www.maryrep.org/\)](https://www.maryrep.org/)
 - [Sisters of St. Dominic, Amityville \(http://www.sistersofst dominic.org/\)](http://www.sistersofst dominic.org/)
 - [Sisters of St. Dominic, Blauvelt \(http://www.opblauvelt.org/\)](http://www.opblauvelt.org/)
 - [Sisters of St. Dominic of Caldwell \(http://caldwellop.org/\)](http://caldwellop.org/)
 - [Sisters of St. Dominic, Sparkill \(http://www.sparkill.org/\)](http://www.sparkill.org/)
 - [Sisters of St. Joseph of Carondelet \(http://www.csjalbany.org/\)](http://www.csjalbany.org/)
 - [Sisters of St. Joseph of Peace \(http://www.csjp.org/\)](http://www.csjp.org/)
 - [Sisters of St. Joseph, Brentwood \(http://brentwoodcsj.org/\)](http://brentwoodcsj.org/)
 - [Sisters of the Good Shepherd \(http://sistersofthegoodshepherd.com/\)](http://sistersofthegoodshepherd.com/)
 - [Sisters of the Presentation of the Blessed Virgin Mary \(http://www.sistersofthepresentation.org/\)](http://www.sistersofthepresentation.org/)
 - [Society of Jesus, USA North East Province \(http://jesuitseast.org/\)](http://jesuitseast.org/)
 - [Society of St. Ursula \(http://www.societyofstursula.org/\)](http://www.societyofstursula.org/)
 - [St. Philip the Apostle Foundation \(https://stpaf.org/\)](https://stpaf.org/)
 - [Ursuline Sisters of Tildonk \(http://www.tildonkursuline.org/\)](http://www.tildonkursuline.org/)
 - [Ursuline Sisters of the Roman Union, Eastern Province \(http://osueast.org/\)](http://osueast.org/)
- Jesuit Conference of Canada and the United States
- [Marianist Province of the U.S \(https://www.marianist.com/\)](https://www.marianist.com/)
- [Maryknoll Fathers and Brothers \(https://maryknollsociety.org/\)](https://maryknollsociety.org/)
- [Mercy Investment Services \(http://www.mercyinvestmentservices.org/\)](http://www.mercyinvestmentservices.org/)
- [Missionary Oblates of Mary Immaculate \(http://www.omiusajpic.org/\)](http://www.omiusajpic.org/)
- [Northwest Coalition for Responsible Investment \(http://www.ipjc.org/\)**](http://www.ipjc.org/)
 - [Adrian Dominican Sisters \(http://www.adriandominicans.org/\)](http://www.adriandominicans.org/)
 - [Benedictine Sisters of Cottonwood, Idaho \(http://www.stgertrudes.org/\)](http://www.stgertrudes.org/)
 - [Benedictine Sisters of Mt Angel \(http://benedictine-srs.org/\)](http://benedictine-srs.org/)
 - [Congrégation des Soeurs des Saints Noms de Jésus et de Marie \(http://snjm.org/fr/\)](http://snjm.org/fr/)
 - [Congregation of the Sisters of St. Joseph of Peace \(http://www.csjp.org/\)](http://www.csjp.org/)
 - [Jesuits West \(http://www.jesuitswest.org/\)](http://www.jesuitswest.org/)
 - [PeaceHealth \(http://www.peacehealth.org/\)](http://www.peacehealth.org/)
 - [Providence St. Joseph Health \(http://www.providence.org/home/default.htm\)](http://www.providence.org/home/default.htm)
 - Northwest Women Religious Investment Trust
 - [Sisters of the Holy Names of Jesus and Mary, U.S.-Ontario Province \(http://www.snjmusontario.org/\)](http://www.snjmusontario.org/)

- [Sisters of Providence, Mother Joseph Province \(http://www.sistersofprovidence.net/\)](http://www.sistersofprovidence.net/)
- [Sisters of St. Francis of Philadelphia \(http://www.osfphila.org/\)](http://www.osfphila.org/)
- [Sisters of St. Mary of Oregon \(http://www.ssmo.org/\)](http://www.ssmo.org/)
- [Tacoma Dominicans \(https://www.tacomaop.org/\)](https://www.tacomaop.org/)

- Oneida Trust Fund
- Pension Boards United Church of Christ, The
- Philadelphia Area Coalition for Responsible Investment**

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 - Bernardine Franciscan Sisters
 - Dominican Sisters
 - Friends Fiduciary Corporation
 - Grey Nuns of the Sacred Heart
 - McHugh Associates
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 - Neumann College
 - Religious of the Assumption
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 - Sisters of St. Joseph, Chestnut Hill Philadelphia
 - Sisters of St. Joseph of Cleveland
 - Sisters of the Blessed Sacrament
 - Sisters of the Holy Redeemer
 - Sisters of the Holy Child Jesus
 - Vincentians

- [Presbyterian Church \(USA\) \(https://www.pcusa.org/\)](https://www.pcusa.org/)
- [Providence St. Joseph Health \(http://www.psjhealth.org/\)](http://www.psjhealth.org/)
- [Reform Pension Board \(https://rpb.org/\)](https://rpb.org/)

- Region VI Coalition for Responsible Investment

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 - Archdiocese of Louisville
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 - Congregation / Holy Spirit
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- School Sisters of Notre Dame Cooperative Investment Fund
- Seventh Generation Interfaith Coalition for Responsible Investment**
 - [Avera Health \(https://www.avera.org/\)](https://www.avera.org/)
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 - [Dominican Sisters, Grand Rapids \(https://www.grdominicans.org/\)](https://www.grdominicans.org/)
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 - Order of Friars Minor Capuchin
 - Poor Handmaids of Jesus Christ
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 - [Province of St. Joseph of the Capuchin Order \(http://www.thecapuchins.org/\)](http://www.thecapuchins.org/)
(<https://www.marianist.com/>)
 - [Riverwater Partners, LLC \(https://riverwaterpartners.com/\)](https://riverwaterpartners.com/)
 - [School Sisters of Notre Dame, Central Pacific Province \(http://www.ssnd.org/\)](http://www.ssnd.org/)
 - School Sisters of St. Francis, Generalate
 - [School Sisters of St. Francis, US Province \(http://www.sssf.org/SSSF.htm\)](http://www.sssf.org/SSSF.htm)
 - [Servants of Mary \(http://www.servitesisters.org/\)](http://www.servitesisters.org/)
 - [Sisters of Charity of the Blessed Virgin Mary \(https://www.bvmsisters.org/\)](https://www.bvmsisters.org/)
 - [Sisters of the Good Shepherd Province of Mid-North America \(https://sistersofthegoodshepherd.com/\)](https://sistersofthegoodshepherd.com/)
 - [Sisters of Mercy of the Holy Cross \(http://www.holycrosssisters.org/\)](http://www.holycrosssisters.org/)
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 - [Sisters of St. Joseph of Carondelet \(http://csjstpaul.org/\)](http://csjstpaul.org/) (St. Paul, MN)
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[Sisters of Bon Secours \(http://www.bonsecoursvocations.org/\)](http://www.bonsecoursvocations.org/)

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Sisters of Charity of St. Elizabeth, New Jersey

Sisters of Charity of St. Vincent de Paul, Halifax

[Sisters of Charity of the Blessed Virgin Mary, Dubuque \(http://www.bvmcong.org/\)](http://www.bvmcong.org/)

Sisters of the Humility of Mary, Villa Maria

[Socially Responsible Investment Coalition \(http://www.sric-south.org/\)**](http://www.sric-south.org/)

[Truah: The Rabbinic Call for Human Rights \(http://www.truah.org/\)](http://www.truah.org/)

[Trinity Health \(http://www.trinity-health.org/\)](http://www.trinity-health.org/)

[Trustees of Donations to the Protestant Episcopal Church](http://www.trusteesofdonations.org/Index.htm)

(<http://www.trusteesofdonations.org/Index.htm>)

[Unitarian Universalist Association \(https://www.uua.org/\)](https://www.uua.org/)

[Unitarian Universalist Congregation of Shelter Rock \(https://uucsr.org/\)](https://uucsr.org/)

[United Church Funds \(https://ucfunds.org/\)](https://ucfunds.org/)

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- SumOfUs
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- UAW Retiree Medical Benefits Trust
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- [Sustainalytics \(https://www.sustainalytics.com/\)](https://www.sustainalytics.com/)
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- United for Respect
- United Steelworkers
- US SIF: The Forum for Sustainable and Responsible Investment*
- [Vancity Investment Management \(https://vcim.ca/\)](https://vcim.ca/)
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* Indicates ICCR reciprocal member

** Indicates organization is a coalition for responsible investment (CRI)



January 24, 2022

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Eli Lilly and Company to omit proposal submitted by and co-filers

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, CommonSpirit Health and two co-filers (together, the “Proponents”) submitted a shareholder proposal (the “Proposal”) to Eli Lilly and Company (“Lilly” or the “Company”). The Proposal asks Lilly to report to shareholders on the extent to which its lobbying activities align with Lilly’s publicly-expressed positions and values, including its commitment to access, and on the steps Lilly is taking or plans to take to mitigate risks from any misalignment.

In a letter to the Division dated December 23, 2021 (the “No-Action Request”), Lilly stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the 2022 annual meeting of shareholders. Lilly argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(10), as substantially implemented; and Rule 14a-8(i)(11), on the ground that the Proposal substantially duplicates an earlier-received proposal. As discussed more fully below, Lilly has not met its burden of proving its entitlement to exclude the Proposal on either basis, and the Proponents ask that its request for relief be denied.

The Proposal

The Proposal states:

Resolved: Shareholders request that the Board of Directors commission and publish a third party review within the next year (at reasonable cost, omitting proprietary information) of whether Eli Lilly and Company’s (“Lilly’s”) lobbying activities (direct and through trade associations) align

with Lilly’s public policy position and public statements, particularly supporting “making medicines more accessible and affordable to patients” and “fairness and transparency in the biopharma industry.” The report should discuss how Lilly addresses the risks presented by any misaligned lobbying and its plans, if any, to mitigate these risks.

Substantial Implementation

Lilly claims that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(10), which permits omission of a proposal that has been substantially implemented. Although a company need not implement a proposal exactly as it is drafted, the company’s actions must satisfy the proposal’s “essential objective” in order to justify exclusion. Lilly cites a deluge of disclosures to create an impression of substantial implementation; because none of them address alignment, however, Lilly cannot be said to have satisfied the Proposal’s essential objective.

Lilly highlights a great deal of disclosure that is irrelevant to the Proposal’s request. For example, the table starting on page 7 of the No-Action Request includes numerous disclosures regarding Lilly’s access initiatives without analyzing whether Lilly’s lobbying undermines the Company’s those initiatives or Lilly’s stated commitment to access. Similarly, the No-Action Request touts Lilly’s support of “various transparency initiatives globally,”¹ but is silent on the extent to which Lilly’s lobbying is consistent with that support.

Board oversight of various activities such as public policy issues, political spending, the Company’s approach to drug pricing and access is described, ostensibly to show that Lilly has implemented the Proposal’s request to discuss risk mitigation. What’s missing, though, is any mention of alignment, as the Proposal asks not for general information on risk mitigation but rather for a description of how Lilly specifically mitigates risks related to misalignment of lobbying activities with stated positions. Lilly cannot be said to have substantially implemented that aspect of the Proposal without identifying areas of misalignment or stating affirmatively that it has compared the positions it and its trade associations have taken on legislation and regulation and has found no misalignment.

Lilly sidesteps the Proposal’s core request for an analysis of alignment between its lobbying and its expressed positions by arguing that shareholders can use the lobbying data Lilly discloses to evaluate alignment for themselves. But the Proposal’s core request is for an analysis prepared by the Company under the board’s supervision; the Proponents are not simply interested in lobbying-related data, but in understanding how Lilly reconciles its lobbying activities with the

¹ No-Action Request, at 13.

positions it says it supports. In other words, the Proposal seeks insight into Lilly's thought process, and shareholders' thought processes are not a substitute.

What's more, it is untrue that the degree of alignment can be assessed by shareholders using the data Lilly currently provides. Federal lobbying reports identify issues and bills on which a company or trade association has lobbied,² but they do not indicate the positions taken on those bills. Similar limitations prevent shareholders from using state filings to assess alignment between Lilly's state lobbying activities and its public positions.³ Only Lilly can provide the requested alignment analysis, using its knowledge of the positions its lobbyists advocated.

Lilly also takes language from the Proposal out of context, to create the misleading impression of substantial implementation. Lilly states that the Proposal asks for disclosure of the Company's lobbying policies and expenditures, then details all the disclosures it makes of those items. But the fact that the Proposal refers to lobbying activities is not equivalent to asking for disclosure of those activities; the Proposal clearly does not ask for such disclosure and requests only an analysis of the alignment of lobbying activities with Lilly's public positions.

Comparing the disclosures set forth in the No-Action Request with the Proposal's language, then, lays bare the fact that Lilly has not implemented the Proposal at all. In contrast, in the determinations Lilly cites, the companies took some action to implement the specific requests in the proposals' resolved clauses, and the no-action correspondence focused on whether the companies' efforts were enough to constitute substantial implementation:

- In Advance Auto Parts ("AAP"),⁴ the proposal asked the company to issue a sustainability report "prepared in consideration of the [Sustainability Accounting Standards Board ("SASB")] Multiline and Specialty Retailers & Distributors standard." AAP argued that it had substantially implemented the proposal through disclosures in its Corporate Sustainability and Social Report, annual report and proxy statement, pointing out that the SASB standard gives companies flexibility to decide which standard(s) are relevant and which associated metrics to report. The proponent urged that AAP's disclosures omitted "information that was likely to be material to investors, according to the analysis of the SASB." The Staff concurred with AAP's view.

² See, e.g., <https://www.opensecrets.org/federal-lobbying/clients/bills?cycle=2021&id=D000000166>

³ See, e.g., <https://cal-access.sos.ca.gov/Lobbying/Employers/Detail.aspx?id=1146940&session=2019&view=activity>; <https://pirs.delaware.gov/#/employer/view/2007138>

⁴ Advance Auto Parts Inc. (Apr. 9, 2019).

- PG&E Corp.⁵ disclosed information responsive to all six elements of a proposal on charitable contributions disclosure, though it did not disclose all contributions and some of the disclosure regarding personnel, benefits to the company, and processes was general rather than contribution-by-contribution. The Staff stated that PG&E’s existing disclosures “compare favorably” with the proposal’s guidelines.
- In Wendy’s,⁶ the company disclosed its process for auditing suppliers for compliance with its human rights policies, which the Staff determined substantially implemented a proposal seeking a human rights risk assessment, despite the proponent’s argument that audits were not tantamount to a more proactive and comprehensive risk assessment.
- The Staff allowed exclusion of the proposal in MGM Resorts⁷ requesting environmental and social sustainability reports (and leaving it up to the company to define those terms) over the proponent’s objection that those reports did not address subjects the proponent considered important, but which the company pointed out were not specified in the proposal’s resolved clause.
- In Applied Materials,⁸ the Staff agreed that the company had substantially implemented a proposal asking the company to “improve the method to disclose the company’s executive compensation information with their actual compensation” based on the fact that the company’s proxy disclosures were controlled by SEC rules.
- The proposal in Boeing⁹ asked the company to “review policies related to human rights to assess areas where the company needs to adopt and implement additional policies and report its findings.” Boeing contended that it had conducted a “thorough review” of human rights principles before adopting its code of conduct three years earlier, periodically reviews and updates the code, and disclosed the code on its website. The proponents faulted the code for certain shortcomings, even though the proposal was agnostic on the substantive outcome of the requested review.
- Exclusion of a proposal seeking elimination of supermajority voting requirements was allowed in Walgreen,¹⁰ despite the fact that the company did not remove one supermajority requirement in the charter, whose elimination was not approved by shareholders at an earlier meeting.
- Johnson & Johnson¹¹ successfully argued that it had substantially implemented a proposal asking it to “verify the employment legitimacy of all

⁵ PG&E Corp. (Mar. 10, 2010).

⁶ The Wendy’s Co. (Apr. 10, 2019).

⁷ MGM Resorts Int’l (Feb. 28, 2012).

⁸ Applied Materials Inc. (Jan. 17, 2018).

⁹ The Boeing Company (Feb. 17, 2011).

¹⁰ Walgreen Co. (Sept. 26, 2013).

¹¹ Johnson & Johnson (Feb. 17, 2006).

current and future U.S. workers and to immediately terminate any workers not in compliance” because it verified the employment eligibility of all workers hired since November 7, 1986, who made up 91% of the company’s workforce. The proponent’s response did not address this argument.

- The Staff in ExxonMobil¹² was persuaded by the company’s argument that its political spending disclosure satisfied the proposal’s requests even though ExxonMobil did not fully implement one of the proposal’s elements.

Exelon’s¹³ and Kewaunee Scientific’s¹⁴ implementations were even more complete than those described above. After receiving the proposal asking for a semi-annual report disclosing policies related to political contributions as well as the amounts and recipients of the contributions themselves, Exelon posted on its website both its guidelines and its contributions, which it committed to updating semi-annually. No element of the proposal was left unimplemented. Likewise, in Kewaunee Scientific, the company asserted that it had already adopted a policy that non-employee directors could no longer participate in the company’s health or life insurance programs, which the proposal had sought; the only possible difference related to timing, as the company’s policy would not take effect until the end of the year while the proposal was silent on timing. Here, however, Lilly has taken no action whatsoever toward implementing the Proposal, making the determinations it cites inapposite.

Lilly’s failure to analyze or even mention alignment between its lobbying activities and public positions in its current disclosures precludes a conclusion that it has satisfied the essential objective of the Proposal—which focuses solely on such alignment—or that its disclosures compare favorably to the guidelines of the Proposal. Accordingly, Lilly has not met its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(10).

Substantial Duplication

Rule 14a-8(i)(11) allows exclusion of a proposal that is “substantially duplicative of a proposal previously submitted to the registrant by another proponent, which proposal will be included in the registrant’s proxy material for the meeting.” The adopting release for the exclusion explained that it was adopted “to eliminate the possibility of shareholders having to consider two or more substantially identical proposals” Considering such “redundant” proposals, the Commission stated, would serve “no useful purpose.”¹⁵

¹² ExxonMobil Corp. (Mar. 23, 2009).

¹³ Exelon Corp. (Feb. 26, 2010).

¹⁴ Kewaunee Scientific Corp. (May 31, 2017).

¹⁵ Exchange Act Release No. 12999 (Nov. 22, 1976).

Lilly urges that the Proposal substantially duplicates an earlier-submitted proposal that will appear in the Company’s proxy statement (the “Prior Proposal”). The Prior Proposal asks Lilly to report on how its board oversees risks related to anticompetitive practices.

Lilly claims that the standard for analyzing substantial duplication is whether the proposals share a “principal thrust” or “principal focus,” and argues that it is entitled to exclude the Proposals because they both “share the same principal focus and principal thrust requesting that the Company publish reports that allow shareholders to assess how the Company addresses and mitigates risks relating to the accessibility, affordability and the pricing of its medicines.”¹⁶ But the Pacific Gas & Electric Company (“PG&E”)¹⁷ determination Lily cites did not supersede the Commission’s own approach to applying the exclusion and does not support Lilly’s overbroad approach.

In PG&E, the Staff was considering whether any of three later-received proposals substantially duplicated the first-received proposal. Compensation was the subject of all four proposals; the first-received asked that non-salary compensation of management be tied to performance, while the second-received requesting a ceiling on total compensation of officers and directors. The Staff allowed PG&E to exclude as substantially duplicative a third proposal asking that the CEO’s total compensation be tied to company performance, which was nearly identical to the first proposal.

The Staff did not agree with PG&E’s view that the second proposal substantially duplicated the first. The second proposal specifically sought the “reduction and imposition of ceilings on total compensation of executive officers and directors”—in other words, to affect *how much* they were paid— and thus its “principal thrust” was different from the first proposal’s “principal focus” on tying pay to performance, which wouldn’t necessarily affect the amount paid. The Staff used “principal thrust” and “principal focus” to emphasize the differences between the proposals; it did not introduce a new interpretive approach, nor could it override the Commission’s own articulation of the standard in its 1976 release. It is significant that the Staff has not used the “principal thrust” and “principal focus” language in determinations applying Rule 14a-8(i)(11) since the PG&E letter, despite reliance on that letter and use of that language by many companies seeking relief.

¹⁶ No-Action Request, at 20.

¹⁷ Pacific Gas & Electric Company (Feb. 1, 1993).

Lilly points to a press release issued by the Interfaith Center on Corporate Responsibility as evidence that the Proposal substantially duplicates the Prior Proposal. At most, that press release shows that shareholders are focused on different mechanisms by which drug companies like Lilly are able to charge U.S. patients the highest prices in the world. The Prior Proposal addresses anticompetitive practices, which are widely viewed as contributing significantly to high prices and for which Lilly has been criticized.¹⁸ The Proposal, in contrast, focuses on the ways in which public policy advocacy can work at cross purposes with professed commitments to access.

The fact that two proposals reflect or were motivated by common concerns does not compel the conclusion that they are substantially duplicative. The absurdity of that approach can be illustrated by considering whether a proposal seeking board declassification and another asking the company to adopt a majority vote standard for director elections would substantially duplicate each other if both supporting statements—or, to make the hypothetical more like the instant case, a press release from the two proponents—focused on the need for greater accountability of directors to shareholders. Would a proposal suggesting an independent board chair policy substantially duplicate one advocating for greater board independence, simply because both supporting statements urge that the requested reforms would enhance board oversight? Given the difference between the requested reforms, a finding of substantial duplication would be unwarranted. The same is true here.

The differences between the actions requested in the Proposal and Prior Proposal are not “slight,” as Lilly implies.¹⁹ The proposals request reports on totally different subjects—anticompetitive practices and lobbying alignment—and neither proposal asks for any disclosure on drug pricing. The reports produced in response to the Proposal and Prior Proposal therefore would not overlap. If Lilly produced the report requested by the Prior Proposal, it could not credibly argue that it had substantially—or even partially—implemented the Proposal. Given this lack of overlap, the Proposal and Prior Proposal are not so similar that “no useful purpose” would be served by shareholders voting on them both.

The Staff recently denied relief on substantial implementation grounds despite much greater similarity between the proposals. In *Amazon.com*,²⁰ an earlier-received proposal asked the board to commission a study regarding the

¹⁸ See, e.g.,

<https://oversight.house.gov/sites/democrats.oversight.house.gov/files/DRUG%20PRICING%20REPORT%20WITH%20APPENDIX%20v3.pdf>, at xii (describing “lockstep” price increases involving insulin made by Lilly and Novo Nordisk).

¹⁹ See No-Action Request, at 21.

²⁰ *Amazon.com, Inc.* (Apr. 1, 2020).

likelihood that the company’s facial recognition technology Rekognition “may endanger, threaten or violate privacy and/or civil rights, and unfairly or disproportionately target or surveil people of color, immigrants and activists” and the risks stemming from use of Rekognition by authoritarian or repressive governments. The later-received proposal asked the board to commission a study “assessing Amazon’s process for customer due diligence, to determine whether customers’ use of its surveillance and computer vision products or cloud-based services contributes to human rights violations.”

Amazon argued that “the principal thrust and focus of the Proposal and the Prior Proposal are the same: an independent report on the Company’s process for reviewing customers of certain computer vision and cloud-based facial recognition technologies with a focus on potential human rights implications of such customers’ use of the technologies.” Amazon highlighted the proposals’ common concerns about effects on human and civil rights, including use of facial recognition technology in immigration enforcement, and disparate racial impacts. Amazon acknowledged that the later-received proposal did not specifically identify Rekognition, but argued that its reference to “surveillance and computer vision products or cloud-based services” clearly encompassed Rekognition. The proponent of the later-received proposal contended that it focused on process, while the earlier-received one asked Amazon to provide specific substantive information about risks, and that the reports requested by the proposals would therefore not overlap. The Staff declined to grant relief.

The determinations Lilly cites, many of which were cited by Amazon in its 2020 no-action request, involved proposals with at least some degree of overlap. For example, in Bank of America²¹ the earlier-received proposal asked the board and compensation committee to adopt a suite of executive compensation reforms that included a policy mandating that executives retain at least 75% of shares obtained through equity compensation awards through the termination of employment. The later-received proposal sought a policy requiring retention of some percentage of shares received through equity-based compensation—the proposal suggested 75%—until two years after employment termination. The Staff concurred with Bank of America’s argument that the later proposal substantially duplicated the retention ratio element of the earlier one, even though the earlier proposal also urged adoption of other compensation-related reforms such as limits on bonus target compensation. Similarly, the Staff allowed exclusion of the later-received proposal in Cooper Industries,²² which asked the company to review and, where necessary, enhance its human rights policies, over the proponents’ objection that the

²¹ Bank of America Corp. (Feb. 24, 2009).

²² Cooper Industries Ltd. (Jan. 17, 2006).

earlier-received proposal focused on the narrower subset of human rights policies related to the workplace.

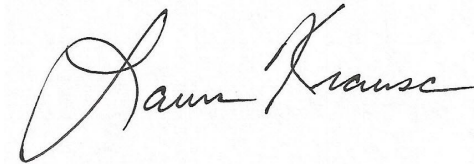
There is no such overlap here. Accordingly, Lilly has not met its burden of showing that the Proposal substantially duplicates the Prior Proposal.

* * *

For the reasons set forth above, Lilly has not satisfied its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(10) or (i)(11). The Proponents thus respectfully request that Lilly's request for relief be denied.

The Proponents appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (303) 818-4307.

Sincerely,

A handwritten signature in black ink that reads "Dawn Krause". The signature is written in a cursive style with a large, looped initial "D".

cc: Sarkis Jebejian, Esq.
sarkis.jebejian@kirkland.com

Co-filers