

# Modern Slavery Statement 2023

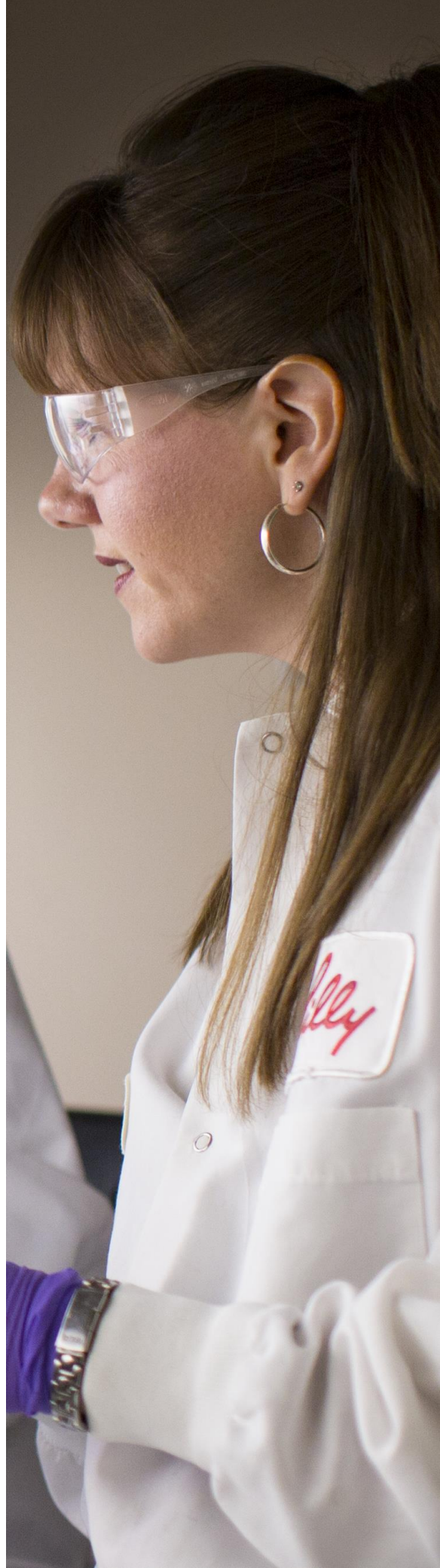
*Lilly*

# About Lilly

Lilly is a medicine company making life better for people around the world. We've turned science into pioneering new discoveries for nearly 150 years, and today our medicines support more than 51 million people across the globe.

Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges; redefining diabetes and obesity care; advancing the fight against Alzheimer's disease; providing options for some of the most debilitating immune system disorders; and targeting the most difficult-to-treat cancers.

With each step towards a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable.



*Lilly*

# Our purpose and values

Lilly unites caring with discovery to create medicines that make life better for people around the world. At Lilly, we work every day with the goal of growing our business in responsible and sustainable ways that better people's lives and benefit society.

As part of our mission to improve lives around the world, we are committed to creating a safe, supportive, ethical, and rewarding work environment. Three long-established core values guide Lilly in all that we do:

- 1. Integrity:** We conduct our business consistently with all applicable laws. We are honest in our interactions with patients, customers, and employees.
- 2. Excellence:** We pursue pharmaceutical innovation, provide high-quality products and strive to deliver superior business results.
- 3. Respect for People:** We maintain an environment built on mutual respect, openness and individual integrity. We're committed to the wellbeing of all people who touch or are touched by our company: patients, customers, employees, shareholders, and communities. Lilly supports the United Nations Global Compact Ten Principles on respecting internationally proclaimed human rights.

While our purpose encapsulates discovering innovative medicines, it also guides our commitment to ensure employees, partners and suppliers uphold our values and respect human rights as we work together to improve lives.





# Our local organisation

Lilly ANZ is part of the Eli Lilly Group of Companies (“Lilly”). Our ultimate parent company, Eli Lilly and Company, is located in Indianapolis, United States. Lilly researches, develops, manufactures, and sells pharmaceutical products around the world. Lilly ANZ promotes and sells Lilly products in Australia and NZ and facilitates the conduct of clinical trials in Australia and New Zealand for Lilly.

Lilly ANZ suppliers provide goods and services across a range of categories, including: sales, marketing, and administration distribution arrangements clinical trials and real-world evidence research information technology. In the reporting period, Lilly ANZ contracted predominantly with suppliers in Australia and NZ, but also sourced limited goods and services from suppliers located in other countries.

Lilly’s operations in New Zealand (NZ) are field based, with less than ten sales representatives located in NZ. All other support including procurement and the engagement of suppliers is provided to NZ by Lilly Australia. Certain directors of Lilly Australia are also the directors of Lilly NZ and have a full understanding of Lilly NZ’s business operations and supply chain.



# Addressing risk of modern slavery

This statement describes the actions taken by Eli Lilly Australia Pty Ltd ("Lilly Australia") to assess and address the risks of modern slavery in its operations and supply chain, and in those of its wholly controlled entity, Eli Lilly and Company New Zealand Limited ("Lilly NZ"), together referred to as Lilly ANZ. It was prepared by Lilly Australia, the reporting entity, pursuant to section 13 of the Modern Slavery Act 2018 (Cth) for the annual accounting period ending 31 December 2023.

Lilly supports the United Nations Global Compact principles, adheres to human rights and labour laws, and complies with anti-corruption practices. In 2011, Lilly revised its global standards and procedures to include specific language about human rights, including Lilly's expectation that suppliers abide by human rights standards as part of the Lilly Supplier Code of Business Conduct.

Lilly is an active participant in the Pharmaceutical Supply Chain Initiative ("PSCI") industry group and adopted the PSCI principles for responsible supply chain management in 2009. The PSCI principles are designed to align with the principles of the United Nations Global Compact. They represent high-level expectations set for industry suppliers in the areas of ethics, labour, health and safety, the environment and related management systems. Lilly's Supplier Code of Business Conduct reflects the PSCI principles.

# Our annual risk assessment

We have continued to include modern slavery risk in our local risk assessment process for the engagement of suppliers engaged by Lilly.

This assessment must be completed prior to engaging new suppliers and when renewing engagements with existing suppliers. Any suppliers assessed to have a high risk of likelihood of modern slavery (that is, on both risk dimensions: country of supplier and category of goods or services) are subject to increased scrutiny and additional due diligence, which can include site visits and inspections.

Further, if a supplier is assessed as high risk, Procurement and Legal Departments must be consulted prior to progressing with any engagement. If a supplier is assessed as high risk on one rating only (that is, country or category of services/goods only) they are flagged for further assessment and investigation.

## Overview of the assessment

Lilly Australia monitors recommendations for compliance with regulations addressing modern slavery throughout the year. We liaise with other Lilly affiliates with similar requirements to share best practices across countries. Locally, we have continued to complete an annual review of Lilly ANZ's supplier base to include an assessment of modern slavery risks, adopting the methodology used in our initial assessment and as reported below.

Lilly Australia has used the Global Slavery Index (GSI) report to assess the risk of its vendors in previous years. Utilising the updated 2023 GSI report, risk was assessed based on country and category of goods or services, being the factors most determinative in assessing the likelihood of modern slavery risk.

For the purposes of assessing the risk of modern slavery for the reporting period, Lilly ANZ conducted a risk assessment of its Tier 1 suppliers (that is, suppliers from which Lilly ANZ directly procures goods and services). Tier 1 suppliers continue to be considered the appropriate base for assessment. Tier 1 suppliers were characterised as:

- Active vendors listed in finance systems, including those Lilly ANZ may not have procured any goods or services in the reporting period, totalling 339 suppliers.
- Suppliers that Lilly ANZ procured goods and services in the reporting period, totalling 236 suppliers.
- Some categories of Tier 1 suppliers were excluded from the assessment, including healthcare professionals, clinical trial investigators, and expenses charged to corporate credit cards.

For the purposes of the assessment, high risk countries were considered those in the top 133 of 180 countries, that is above 0.25% estimated prevalence of modern slavery per 1,000 population.

Most Tier 1 suppliers were assessed as low-risk, as both country and category were low-risk. There were no Tier 1 suppliers in both a high-risk country and a high-risk category, and consequently, no Tier 1 suppliers were categorised as high-risk.

With nine exceptions, all suppliers are located in low-risk countries. There were 322 of 339 Tier 1 suppliers based in Australia and New Zealand, 6 in the United Kingdom, 1 in Singapore, and 1 in Switzerland, all countries with a low-risk geographically. The 9 existing suppliers in a high-risk country continue to be assessed as low-risk. The relevant services are low-risk and Lilly's risk assessment of the suppliers, both at initiation of the relationship some years ago and since then, is low-risk. Even so, these suppliers have been flagged to ensure continued assessment, and Lilly ANZ will consider appropriate action if our risk assessment changes.

There were two suppliers that provided goods and services in a higher risk category but in a low-risk country. Lilly continues to monitor those suppliers and will take appropriate action should this be required.

# Reducing the risk of modern slavery in our operations and supply chain

## **Our culture of integrity and ethical behaviour**

Lilly is committed to upholding high standards of corporate conduct in our business dealings. The Red Book, our policies and procedures, compliance management systems, training programs and communications are designed to work together to reinforce a culture of integrity and ethical behaviour. Lilly's strong compliance culture is supported by its Ethics and Compliance, Human Resources, Legal, Finance and Procurement, Quality and Audit Departments. Furthermore, Lilly is committed to improving our positive impact in Environmental, Social & Governance areas. Lilly develops goals at the corporate level and monitors its performance on these areas annually.

## **Internal accountability**

Our employees, globally, must comply with The Red Book, our internal code of business conduct. The Red Book is a statement of principles that guides Lilly's operations. These principles are based on 11 corporate policies and are consistent with our company values of integrity, excellence, and respect for people. The Red Book sets the expectation for behaviour and provides the ethical framework of the business. Lilly's global procedures, standards and training align with the Red Book. Our whistle blower protection policy, 'Speaking Up: No Retaliation', encourages all employees to report known or suspected issues, concerns, or behaviour that could harm Lilly or its stakeholders. Our policies reinforce our culture of upholding the highest standards and conduct in all business activities.

## **Training**

Lilly requires all employees, including supply chain management, to complete ongoing training and education of The Red Book, associated policies and procedures, and applicable legal requirements for specific roles. Under Lilly global and local ANZ procedures, all employees must follow ethical procurement practices and procurement must be engaged in all transactions over a certain material spend. Employees across various functions receive targeted training and education in order to work with third-parties.

## **Ensuring the effectiveness of these actions**

We recognise that modern slavery is a complex issue that can manifest at different levels in our supply chain. As we continue to exercise due diligence, monitoring of activities, and further engage with suppliers, we will assess the effectiveness of the actions we take and consider measures that may be additionally required to uncover modern slavery risk.



## Reducing the risk of modern slavery in our operations and supply chain (continued)

### **Compliance review and contracting**

In compliance with Lilly global procedures, suppliers in Lilly ANZ's supply chain are reviewed for relevant compliance and quality issues at the initiation of their relationship with Lilly ANZ. This includes an assessment of modern slavery risk. All agreements require that suppliers represent and warrant to Lilly ANZ that they comply with all applicable laws and regulations. For any supplier not meeting Lilly ANZ's expectations under its contractual arrangements, we reserve the right to terminate the agreement.

### **Agreements**

Based on the nature and level of the risk identified, in addition to incorporating the Lilly Supplier Code of Business Conduct, Legal may incorporate additional terms including audit rights, or otherwise tailor the terms of the agreement to address the risk identified. For any supplier not meeting Lilly's expectations under its contractual arrangements, Lilly ANZ reserves the right to terminate the agreement.

### **Additional assessment of modern slavery risk**

If a vendor is identified as high-risk, we require the supplier to perform a Self-Assessment Questionnaire (SAQ). If risk factors are identified, risk mitigation action and remediation plans must be developed and progressed by the supplier – prior to Lilly ANZ proceeding with the engagement. No SAQs were performed in this reporting period.

### **Awareness and education**

The Lilly ANZ Leadership Team continues its commitment to ensuring we understand and address modern slavery risks in our Lilly ANZ operations and supply chain. We continue to educate and train Lilly ANZ leadership and relevant employees on modern slavery risk, appropriate decision-making, swift reporting and action. Modern slavery awareness and trainings continue to be part of our internal training process for relevant stakeholders. Through this we reinforce the importance of assessing modern slavery risks in our operations, and Lilly ANZ's requirements when engaging suppliers.

## Continuing to take action with integrity and respect for people

Through Lilly's focus on supporting human rights and making a meaningful contribution to the world, we will continue to identify and address the risk of modern slavery in our business operations. Refer to [Lilly's 2023 Sustainability Report](#) and [ESG Strategy](#) for more information about our work.

This statement was approved by the Board of Directors of Eli Lilly Australia Pty Ltd on 20 June 2024. For further information please contact Lisa Julian, Director, Corporate & External Affairs at [julian\\_lisa@lilly.com](mailto:julian_lisa@lilly.com).



**Tori Brown**  
General Manager & Director, Eli Lilly Australia Pty Ltd  
ACN 000 233 992

June 21, 2024



**ELI LILLY AUSTRALIA PTY. LIMITED**  
(Company)

ABN: 39 000 233 992

**RESOLUTIONS OF THE DIRECTORS OF THE COMPANY**  
**Approval of Modern Slavery Statement**

**1. Background**

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It is noted that:

1. the Company is a 'Reporting Entity' as defined in the *Modern Slavery Act 2018* (Cth) (MSA) and is required to submit a modern slavery statement for the reporting period 1 January 2023 to 31 December 2023 to the Minister for Home Affairs by 30 June 2024;
2. the Statement, and a report detailing the basis of the representations made in it, has been provided to all members of the Company's Board of Directors, as the principal governing body of the Company, for consideration and approval; and
3. once approved by the Board, the Statement will be executed by the General Manager and/or Finance Director, each of whom are Board Directors.
- 4.

**2. Resolutions**

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It is resolved to:

1. approve the Statement and its execution by the General Manager, Victoria Brown;
2. approve submission of the Statement so as to meet the reporting obligations of the Company pursuant to the MSA;
3. acknowledge that amendments that are considered necessary or appropriate and that are immaterial or do not adversely impact compliance by the Company with the MSA may be made to the Statement; and
4. acknowledge that the General Manager, Victoria Brown will execute the Statement.

Signed by all the directors of the Company:

**Effective 20 June 2024**

Victoria Brown



Kristina Wright



Gabrielle Reppen



Kevin Lim

