

Eli Lilly Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada)

INTRODUCTION

This report (“**Report**”) constitutes the first report prepared by Eli Lilly Canada Inc. (the “**Company**”) (“**Eli Lilly**”, “**our**”, “**us**” or “**we**”) pursuant to the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

This Report relates to the financial year ended December 31, 2023 (“**Reporting Period**”).

STEPS TAKEN TO PREVENT AND REDUCE THE RISKS OF FORCED LABOUR AND CHILD LABOUR

In general terms, Eli Lilly took the following steps during the Reporting Period to prevent and reduce the risks of forced labour and child labour in our operations and supply chains:

- conducted third-party risk assessments;
- followed our internal human resources processes to help ensure that our employees are of legal age to work in their jurisdiction and have been recruited voluntarily; and
- provided training to our employees on workplace health and safety matters.

Details on the foregoing are set out in further detail in this Report.

ORGANIZATION OF THE BUSINESS

The Company is incorporated and existing under the Ontario *Business Corporations Act*. The Company is part of the Eli Lilly group of companies (together the “**Group**”), and the Company’s ultimate parent company is Eli Lilly and Company, which has its head office in the United States.

The Group maintains a long-standing practice of complying with local minimum age laws and requirements.

The Company imports into and distributes finished pharmaceutical products and medical devices in Canada. The Company employs approximately 340 employees in Canada. The Group has more than 44,000 employees worldwide and markets products in over 100 countries.

THE COMPANY’S SUPPLY CHAINS

The Company imports and distributes the following products into the Canadian supply chain:

- finished pharmaceutical products and medical devices.

These regulated products imported into Canada are produced by the Group or by its suppliers and contract manufacturers on the Group’s behalf.

Once products are imported into Canada, the Company sells the regulated products to a limited number of Health Canada-regulated wholesalers for eventual sale to purchasers, as allowable by Health Canada requirements (i.e. hospital and retail pharmacies).

THE COMPANY'S POLICIES ON FORCED LABOUR AND CHILD LABOUR

The Group views supply chains as an extension of our operations and strives to instill our operating principles within our supplier network. The Group supports the United Nations Global Compact principles, adheres to human rights and labour laws in the jurisdictions in which it operates, complies with anti-corruption practice, endeavors for a diverse supply base and promotes sustainability efforts designed to minimize our environmental footprint. The Group maintains a practice of complying with local minimum age laws and requirements. For more information on this, please visit the Group's 2023 Sustainability Report at:

www.sustainability.lilly.com

The Company strives to ensure that there is no forced labour or child labour in its supply chains or in any part of the Company's business. The Company's Supplier Code of Business Conduct outlines its expectation that suppliers will respect and abide by the Company's human rights standards to minimise the risk that such practices are not taking place anywhere in the Company's supply chains:

[Supplier Resources | Eli Lilly and Company](#)

Existing and new suppliers of the Company are contractually obliged to adhere to the Supplier Code of Business Conduct.

The Group is also a participant in the industry group Pharmaceutical Supply Chain Initiative ("PSCI") and has adopted the PSCI principles for responsible supply chain management. The PSCI principles are designed to align with the principles of the United Nations Global Impact; they represent high-level expectations set for industry suppliers in the areas of ethics, labour, health and safety, the environment and related management systems. The Company's Supplier Code of Business Conduct reflects the PSCI principles. To view the PSCI principles, please visit:

<https://pscinitiative.org/principles>

SUPPLIER ADHERENCE TO THE COMPANY'S VALUES AND ETHICS

To seek to ensure all those in the Company's supply chain and contractors comply with the Company's values, all agreements with our direct suppliers require that suppliers represent and warrant to the Company that they comply with all applicable laws and regulations. For any supplier not meeting the Company's expectations under its contractual arrangements, the Company reserves the right to terminate the agreement.

In addition, the Company expects that all direct suppliers comply with the Company's Supplier Code of Business Conduct. The Supplier Code of Business Conduct also asks for suspected violations to be reported and provides reporting instructions.

The Company has a Procurement Playbook designed, among other things, to help Procurement professionals to understand and embody the highest ethical standards. The Company's Procurement and Sourcing staff are given extensive and specific training in this area including 'Ethical Interactions with External Parties' and 'Dealing With Suppliers'.

The Company's employees must also comply with all Company policies and procedures, and all laws and regulations that apply to Company business operations and are trained annually on these considerations as a

mandatory training requirement. Any violations of this policy are subject to disciplinary measures including dismissal as appropriate.

The Company also has in place systems to protect whistle blowers, which is more fully described in the links below:

[Speaking Up: No Retaliation \(lilly.com\)](#)

[Contact Us | Eli Lilly and Company](#)

The Speaking Up: No Retaliation policy encourages Company staff and external third parties to report known or suspected issues, concerns, or behaviour that could harm the Company or those it serves and reiterates that retaliation for whistleblowing is not tolerated. Suspected violations of our code of business conduct or other company policies or procedures, or any suspected violations of laws and regulations may be reported through our Lilly Ethics and Compliance Hotline or an online portal.

THE COMPANY'S DUE DILIGENCE PROCESSES

Respecting the dignity and human rights of our employees is important to us, and our employment and hiring practices comply with applicable laws related to labour, employment and human rights.

FORCED LABOUR AND CHILD LABOUR RISKS IN OUR BUSINESS OPERATIONS AND SUPPLY CHAINS

Given that our business operations are conducted in Canada and all of Eli Lilly's employees are located in Canada, we consider the risk of forced labour and child labour occurring within our business operations to be relatively low. However, we acknowledge that no sector or industry involved in the production or importation of goods is assumed to be entirely free from forced labour and child labour risks.

STEPS TAKEN TO ASSESS AND MANAGE THE RISKS OF FORCED LABOUR AND CHILD LABOUR IN OUR OPERATIONS AND SUPPLY CHAINS

Operations

The Company's hiring process requires all new hires to provide proof of legal working status and we comply with applicable human rights, employment and labour laws.

Supply chains

Contractual measures

To seek to ensure all those in the Company's supply chain and contractors comply with the Company's values, all agreements with our direct suppliers require that suppliers represent and warrant to the Company that they comply with all applicable laws and regulations. For any supplier not meeting the Company's expectations under its contractual arrangements, the Company reserves the right to terminate the agreement.

REMEDATION MEASURES

We have not identified any part of our activities or supply chains that carry a risk of forced labour or child labour. Accordingly, there is nothing to report with respect to measures taken during the Reporting Period to remediate (i) any instances of forced labour or child labour or (ii) the loss of income to the most vulnerable of families that result from any measure taken to eliminate the use of forced labour or child labour in our activities and supply chains.

TRAINING

While such training is not specific to the issues of forced labour or child labour, Company employees receive workplace health, anti-corruption, anti-harassment, and safety training. In addition, Procurement and Sourcing staff are given extensive and specific training in this area, including 'Ethical Interactions with External Parties' and 'Dealing With Suppliers'.

ASSESSING THE COMPANY'S EFFECTIVENESS IN COMBATING FORCED LABOUR AND CHILD LABOUR

The Company may use the following indicators to measure the effectiveness of the Company's anti-slavery measures in ensuring that forced labour and child labour is not taking place in any part of the Company's business or supply chains:

- ensuring that all staff in all relevant functions within the Company have been trained in labour law and human rights requirements, in terms of awareness of risk, appropriate decision-making and swift action;
- carrying out an annual third party risk assessment exercises; and
- ensuring all suppliers with which the Company contracts and that may be identified as presenting a modern slavery risk have been made aware of the Company's Supplier Code of Conduct, including in respect of anti-slavery and human trafficking.

APPROVAL AND ATTESTATION

This Report was approved by the board of directors of Eli Lilly Canada Inc. as the Report of Eli Lilly Canada Inc. for the financial year ended December 31, 2023 pursuant to subparagraph 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for Eli Lilly Canada Inc. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I make the above attestation in my capacity as a director of Eli Lilly Canada Inc. for and on behalf of the board of directors of Eli Lilly Canada Inc.



Ilissa Rassner
Chief Financial Officer
Eli Lilly Canada Inc.

Date: May 29, 2024

I have the authority to bind Eli Lilly Canada Inc.