

Independent Assurance Statement to Eli Lilly and Company

ERM Certification and Verification Services (ERM CVS) was engaged by Eli Lilly and Company (Eli Lilly) to provide limited assurance in relation to specified 2020 environmental performance data presented in Eli Lilly's 2020 ESG Report website as of April 2021, in the sections Climate, Water and Waste, as set out below.

Engagement summary	
Scope of our assurance engagement	<p>Whether the Eli Lilly 2020 absolute and intensity data for the following indicators are fairly presented, in all material respects, with the reporting criteria:</p> <p>Greenhouse Gas Emissions</p> <ul style="list-style-type: none"> • Total (scope 1 and scope 2) GHG emissions [metric tonnes CO₂e] • Scope 1 GHG emissions [metric tonnes CO₂e] • Scope 2 GHG emissions [metric tonnes CO₂e] • GHG efficiency (scope 1 and scope 2) [metric tonnes CO₂e / 1,000 square feet] • Combined scope 3 GHG emissions [metric tonnes CO₂e] from the following sources: <ul style="list-style-type: none"> ○ Employee business travel ○ Employee commuting ○ Product transportation and distribution (contracted) ○ Waste generated in operations <p>Energy Use</p> <ul style="list-style-type: none"> • Energy Consumption [million BTUs] • Energy Intensity [million BTUs/1,000 square feet] • Direct Energy Consumption [million BTUs] • Indirect Energy Consumption [million BTUs] <p>Water</p> <ul style="list-style-type: none"> • Water Intake [billion liters] • Phosphorus emissions to wastewater [metric tonnes] <p>Waste</p> <ul style="list-style-type: none"> • Total Waste Generation [metric tonnes] • Total waste not including reuse [metric tonnes] • Recycled (includes combustion with energy recovery) [metric tonnes] • Treated (includes combustion with energy recovery) [metric tonnes] • Landfilled [metric tonnes] • Waste Recycling Rate [%] <p>2020 Goals: (against baselines 2012 with the exception of phosphorus which has a baseline of 2018)</p> <ul style="list-style-type: none"> • Reduction in greenhouse gas emissions: Progress through 2020 [%] • Improvement in energy efficiency: Progress through 2020 [%] • Reduction in Phosphorus emissions in wastewater: Progress through 2020 [%] • Improvement in waste efficiency while increasing recycling rate above 70% and decreasing waste to landfill below 10% of total waste: Progress through 2020
Reporting criteria	We understand that Lilly has developed its own internal reporting criteria and definitions which are based on WBCSD/WRI GHG Protocol (2004, as updated January 2015).
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	<p>Eli Lilly is responsible for preparing the data and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary.</p> <p>ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p>

Our conclusions

Environmental data:

Based on our activities, nothing has come to our attention to indicate that the Eli Lilly 2020 absolute and intensity data for the indicators, as listed above, are not fairly presented in Eli Lilly's 2020 ESG Report website as of April 2021, in the sections Climate, Water and Waste, in all material respects, with the reporting criteria.

2020 Goals:

Based on our activities, nothing has come to our attention to indicate that the progress reported in Eli Lilly's 2020 ESG Report website as of April 2021, against the 2020 goals for the goals listed above, is not fairly presented, in all material respects, with the reporting criteria.

Emphasis of matter

Without affecting our conclusion, which is not modified, we draw attention to the explanatory notes provided by Eli Lilly relating to the data in the Climate section of Eli Lilly's 2020 ESG Report website as of April 2021, in particular the limitations relating to the 2020 data for the Scope 3 emissions assumptions and estimations which should be read in conjunction with the reported data.

Our assurance activities

Our objective was to assess whether the selected data are reported in accordance with the principles of completeness, comparability (across the organisation) and accuracy (including calculations, use of appropriate conversion factors and consolidation). We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

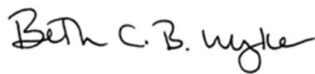
A multi-disciplinary team of sustainability and assurance specialists performed the following activities:

- Virtual interviews with relevant staff at the Eli Lilly corporate headquarters in Indianapolis, IN to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the selected data;
- A review of the internal indicator boundaries, definitions and conversion factors;
- Virtual site visits to three sites (Sesto, Italy; Fegersheim, France; Suzhou East Lake, China) to review local reporting processes and consistency of reported annual data with selected underlying source data for each indicator. We interviewed relevant staff, reviewed site data capture and reporting methods, checked calculations and assessed the local internal quality and assurance processes;
- An analytical review of the data from all sites and a check on the completeness and accuracy of the corporate data consolidation;
- Year-end assurance activities at corporate level including the results of internal review procedures;
- A review of underlying data and calculations used to support the reported 2020 progress against the reported baseline;
- A review of the presentation of information relevant to the scope of our work in the online ESG Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. While we have reviewed the assumptions and calculations for 2020 progress on the 2020 Goals against 2012/ 2018 baselines, the baseline data were not assured or reviewed for accuracy or completeness. Our independent assurance statement provides no assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the information since it was first published. It is important to understand our assurance conclusions in this context.

Due to COVID travel restrictions, we planned our assurance engagement to include virtual site visits. While we believe this approach does not affect our limited assurance conclusion(s) above, we draw attention to the possibility that if we had undertaken in person visits we may have identified errors and omissions in the assured information that we did not discover through the alternative assurance program.



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ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the ERM staff that have undertaken this engagement work have provided no consultancy related services to Eli Lilly in any respect.