

RESOLVED, that shareholders of Eli Lilly and Company (“Lilly”) urge the board of directors to oversee conduct of human rights due diligence (“HRDD”) to produce a human rights impact assessment (“HRIA”) covering Lilly’s operations, activities, business relationships, and products, including access to medicines. The HRIA should be prepared at reasonable cost and omitting confidential and proprietary information and made available on Lilly’s web site. The HRIA should describe actual and potential adverse human rights impacts identified; identify rightsholders that were consulted; and discuss whether and how the results of the HRDD will be integrated into Lilly’s operations and decision making.

### SUPPORTING STATEMENT

Lilly currently has a Code of Business Conduct (the “Code”), applicable to its suppliers, which contains provisions addressing various issues including protecting worker rights.<sup>1</sup> The Pharmaceutical Supply Chain Initiative (“PSCI”) Principles,<sup>2</sup> a link to which appears on Lilly’s web site, includes an expectation that suppliers respect workplace human rights.

Article 12.1 of the International Covenant on Economic, Social, and Cultural Rights “recognize[s] the right of everyone to the enjoyment of the highest attainable standard of physical and mental health.”<sup>3</sup> Target 3.8 of Sustainable Development Goal 3 assesses progress toward “access to safe, effective, quality and affordable essential medicines and vaccines for all.”<sup>4</sup> The section of Lilly’s Sustainability Report on human rights states that Lilly is “deeply committed to equitable and affordable access to our

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[https://assets.ctfassets.net/srys4ukjcerm/gVAGEcUTLBkaVdSHHyrd6/b4fb276dc3b73984e6b4af96f58545f2/Lilly\\_SCoBC\\_2024\\_EN.pdf](https://assets.ctfassets.net/srys4ukjcerm/gVAGEcUTLBkaVdSHHyrd6/b4fb276dc3b73984e6b4af96f58545f2/Lilly_SCoBC_2024_EN.pdf)

<sup>2</sup> <https://pscinitiative.org/principles>

<sup>3</sup> [www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-](http://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights)

[rights; https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7605313/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7605313/)

<sup>4</sup>

[www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A\\_RES\\_70\\_1\\_E.pdf](http://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf)

medicines” and to monitoring the “safety and well-being” of clinical trial participants.<sup>5</sup>

Insulin has been on the World Health Organization’s essential medicines list since 1977.<sup>6</sup> Recently, an “increasing lack of supply of critical insulin products [has] severely affect[ed] diabetes patients and healthcare providers.”<sup>7</sup> There is concern that insulin makers like Lilly are “turning their focus and resources away from insulin and toward the GLP-1s,” like Ozempic, that are more profitable but cannot substitute for the insulin required by some diabetics.<sup>8</sup>

Lilly appears not to have adopted an HRDD process. According to Deloitte, it is not possible for a company to “really commit to respecting and promoting human rights without having full transparency of its human rights impacts.”<sup>9</sup> The Code makes no mention of how Lilly evaluates and enforces suppliers’ compliance, aside from a reporting hotline. That is worrisome given a recent letter from members of Congress indicating that U.S. pharmaceutical companies have conducted clinical trials in China’s Xinjiang Uyghur Autonomous Region, where forced labor is common.<sup>10</sup> The PSCI Principles contemplate supplier audits,<sup>11</sup> which are not HRDD.

As well, Lilly does not indicate whether and how it identifies actual and potential adverse human rights impacts resulting from its own operations. The Sustainability Report section on human rights in health is silent on HRDD. Conducting comprehensive HRDD across Lilly’s operations and value chain would enable Lilly to identify actual and potential impacts, including those related to the human right to health, and publicly releasing the resulting HRIA would allow shareholders to assess Lilly’s human rights performance.

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<sup>5</sup> <https://sustainability.lilly.com/social/human-rights#human-rights-health>

<sup>6</sup> [https://www.thelancet.com/journals/landia/article/PIIS2213-8587\(21\)00322-3/fulltext](https://www.thelancet.com/journals/landia/article/PIIS2213-8587(21)00322-3/fulltext)

<sup>7</sup> <https://medpak.com/insulin-shortage/>

<sup>8</sup> <https://www.statnews.com/2024/07/17/insulin-novo-nordisk-eli-lilly-weight-loss-drugs/>

<sup>9</sup> <https://www.deloitte.com/global/en/services/risk-advisory/blogs/human-rights-due-diligence-in-the-modern-era.html>

<sup>10</sup> <https://www.dol.gov/agencies/ilab/against-their-will-the-situation-in-xinjiang>

<sup>11</sup> <https://pscinitiative.org/sharedAudits>