

RESOLVED, that shareholders of Eli Lilly and Company (“Lilly” or the “Company”) urge the board of directors to adopt a comprehensive human rights policy, referencing internationally recognized human rights standards, that applies to both its own operations and its suppliers that includes the right to health and establishes a process to identify, prevent, mitigate, and remedy adverse human rights impacts, above and beyond supplier audits.

Supporting Statement

Lilly currently has a code of conduct (the “Code”) applicable to its suppliers, which refers to nondiscrimination and “uphold[ing] the human and employment rights of workers” and includes Lilly’s expectation that suppliers will “abstain from procuring materials from all conflict areas or sources including the Democratic Republic of Congo.”¹ Similarly, the Pharmaceutical Supply Chain Initiative (“PSCI”) Principles,² a link to which appears on Lilly’s web site, includes an expectation that suppliers respect workplace human rights. Neither the Code nor PSCI Principles references any internationally recognized human rights standards, nor do they apply to Lilly’s own business and operations, just those of its suppliers.

Although the human rights of workers mentioned in the Code and PSCI Principles are important, we believe that a global pharmaceutical firm like Lilly must also commit to respect the human right to health. The Universal Declaration of Human Rights (“UDHR”) states, “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including . . . medical care.”³ Article 12.1 of the International Covenant on Economic, Social, and Cultural Rights (“ICESCR”) “recognize[s] the right of everyone to the enjoyment of the highest attainable standard of physical and mental health.”⁴

Target 3.8 of Sustainable Development Goal 3 assesses progress toward “access to safe, effective, quality and affordable essential medicines and vaccines for all.”⁵ Insulin has been on the World Health Organization’s essential medicines list since 1977.⁶ The UN Special Rapporteur on the Right to Health has made clear that responsibility for increasing access to medicines is shared between states and pharmaceutical firms⁷ and recommends that firms “should adopt a human rights policy statement which expressly recognises the importance of human rights generally, and the right

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https://assets.ctfassets.net/srys4ukjcerm/1Y51D0izDLx03DFP1mlZps/eaaa5bbc50251e48ff3a020f0e81e6a5/Lilly_SC_oBC_2021_EN.pdf

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

³ <https://www.ohchr.org/en/human-rights/universal-declaration/translations/english>

⁴ www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights;
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7605313/>

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www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf

⁶ [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)

⁷ <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N06/519/97/PDF/N0651997.pdf?OpenElement>, paras. 82-93.

to the highest attainable standard of health in particular.”⁸ Novartis has done so, adopting a human rights commitment statement that incorporates the right to health, including access to medicine, and references the UDHR and ICRSCR.⁹

A process to identify, prevent, mitigate, and remedy adverse human rights impacts—“human rights due diligence”—is a key part of a comprehensive human rights policy. The Code makes no mention of how Lilly evaluates and enforces suppliers’ compliance with the Code’s vague expectations, aside from a reporting hotline. The PSCI Principles contemplate supplier audits,¹⁰ whose effectiveness has been questioned.¹¹ Including a human rights due diligence process in its human rights policy, as Novartis has done,¹² would enable Lilly to identify potential impacts before they occur, track its human rights performance, and embed human rights in its operations.

⁸ <https://www.ohchr.org/Documents/Issues/Health/GuidelinesForPharmaceuticalCompanies.doc>

⁹ <https://www.novartis.com/sites/novartiscom/files/novartis-human-rights-commitment-statement.pdf>

¹⁰ <https://pscinitiative.org/sharedAudits>

¹¹ https://www.ajsosteniblebcn.cat/human-rights-due-diligence-in-global-supply-chains_28919.pdf, at 14; <https://shiftproject.org/resource/from-audit-to-innovation-advancing-human-rights-in-global-supply-chains/>, at 8

¹² <https://www.novartis.com/sites/novartiscom/files/novartis-human-rights-commitment-statement.pdf>