

Employee Health, Safety and Well-being Issue Brief

Importance to Elanco and our Stakeholders

Every day, across all our global locations, we strive to ensure a safe environment for employees, contractors and visitors. Supported by our culture and values, we believe promoting a healthy environment, maintaining a safe workplace and operating in a responsible and environmentally sound manner are critically linked to the success of our business.

Our Action

Elanco's Health, Safety and Environment (HSE) Mission:

1. We believe everyone should be safe at work, the environment is ours to protect and the responsibility for achieving these ambitions belongs to all of us.
2. How we manage the health and safety of our people and the environment in which we operate is a direct reflection of [our culture and our values](#). Each of us must be engaged in looking out for our colleagues and their well-being so each of us can safely return home to our loved ones each day.
3. To do our part for a Healthier Planet, one of the four Elanco Healthy Purpose pillars, we must be deliberate in our daily choices and habits to Reduce, Reuse, and Recycle – building these behaviors into our processes, products, plant sites and customer interactions.

Elanco is subject to the various environmental, health and safety laws and regulations that apply in the different jurisdictions where we operate. We take all necessary steps to ensure compliance as national or regional laws and regulations are created or modified.

All business areas, affiliate locations and general administrative offices are required to operate in accordance with an HSE Management System that adheres to the requirements of the Elanco Global HSE Policy and associated operating standards. Although internal country-specific guidelines may vary, the basic elements of our HSE Management System align with internationally recognized management standards such as ISO 45001 (Occupational Health and Safety Management Systems), ISO14001 (Environmental Management Systems), and the Chemistry Council Responsible Care Management System.

We're committed to disciplined execution of our HSE Management System to ensure compliance and inspection readiness – not only to legal requirements, but to Elanco's own standards. As our business has grown and evolved, we've worked to ensure new employees and newly acquired businesses are fully enabled to fulfill our HSE Mission – while focusing on simplification, safety and ensuring our legacy operations remain strong. In the past few

years, this has included the onboarding of seven manufacturing plants around the globe, divestiture of three manufacturing plants, integration of a global sales organization across 45 country offices, implementation of a global HSE IT platform and product stewardship activities to support an expanded product portfolio, transportation modes and new R&D materials.

Elanco's Global HSE Policy contains core principles and expectations that our employees apply in their daily activities. The policy describes our commitment to safeguarding the health of our people and our planet, and includes the following commitments:

- We maintain a workplace that promotes the safety and security of our people, assets and the communities in which we operate and serve.
- We are focused on the well-being of our people by continuously improving our health and safety practices.
- We are committed to conducting business in an environmentally responsible manner.
- We are committed to a robust security culture to protect our people and brand from harm, and our assets from loss, theft or damage.
- We are all responsible for applying these principles in our daily activities.

The policy is implemented through our global standards and procedures, which further articulate our commitments and set operational guidelines to ensure alignment with regulatory requirements and established best practices. Our core HSE governing documents include:

- Global HSE Policy – Protecting People, the Environment, and our Assets
- Environmental Standard
- Health and Safety Standard
- HSE at Global Affiliate Offices and Shared Service Centers Standard
- HSE Management System Standard
- Process Safety Management and Combustible Dust Standard
- Product Stewardship Standard

We review and update our global HSE standards, functional procedures and business practices every three years, or as changes are needed. We implement continuous improvements based on five leading input areas:

- Regular audits and self-assessments/inspections at internal sites, as well as targeted assessments of contract manufacturing partners – based on risk and/or cadence described within our Health and Safety Management plan

- Root cause investigations to inform organizational learning from events and near misses
- Benchmarking activities to learn best practices which are shared via HSE alerts and monthly safety meetings
- Listening to our employees through HSE observation programs
- Emerging issues management for the HSE aspects of our operations

Enhancements may include facility and engineering upgrades, ergonomic adjustments or other identified areas for improvement.

Elanco's health and safety culture relies on our capability to collect the right data to understand performance, engage our people and report outcomes. As of the end of 2023, all locations globally have been integrated into our HSE Tracks data management platform. Through HSE Tracks, we compile injury data and forward-looking indicators such as near misses and leadership engagement. We treat near misses as major company-wide learning opportunities and complete root cause analyses so managers can embed lessons into their team coaching and ongoing work environments.

Throughout 2023, we demonstrated many health and safety achievements, such as increased safety observations and continued implementation of training and systems integrations. Strong numbers in preventative safety observations and leadership engagements mean that our people are encouraged to speak up when they see hazards, and that leadership is establishing the right tone for our health and safety culture. Our leadership supports and reinforces employee safety reporting during walkthroughs and direct employee engagements. All these elements combine to provide a leading performance indicator for workplace safety culture.

We make HSE tools such as templates, checklists, training materials and best practices available to all employees, to help them make decisions that align with our safety and security principles. In addition, our various business areas, functions and affiliates provide employees with role- and location-specific training and development programs. For example:

- In our commercial organizations, field sales employees are equipped with behind-the-wheel driver training, personal safety training, ergonomic training and safety training for assisting our farm and veterinary customers.
- In Manufacturing & Quality, employee safety training is integrated into our daily processes and includes on the job checklists, hands-on courses and self-study. We place special focus on Serious Injury Fatality (SIF) Prevention programs – ensuring the highest level of training on the highest risk workplace hazards that, should an incident occur, can have a long-lasting impact on employees and their families. Ergonomics also plays a key role in our strategy, with a focus on early case reporting,

improved case management, return to work programs and incorporating ergonomics at the earliest stages of design.

- In R&D and Regulatory, our training focuses on their top risks, which include animal handling safety, infectious agent safety programs and chemical safety. In 2023, the R&D organization conducted its first comprehensive Safety Culture Perception Survey globally. Results from this survey will guide continuous improvement efforts.

Employee Well-being

Our approach to employee health and safety extends beyond avoiding illness and injury. We are committed to other aspects of employee well-being – including mental health, financial security, physical wellness and psychological safety.

Elanco offers an Employee Assistance Program (EAP), which provides employees and their immediate families access to free counseling and mental health support services. We conduct internal awareness campaigns to encourage EAP use during situations such as difficult world events or regional natural disasters.

Elanco continues to deepen our focus on employee mental health and offers employees the opportunity to obtain certification as a Mental Health First Aider (MHFA). Participants receive training through the National Council for Mental Well-being and act as resources for colleagues who may have a need for peer counseling or mental health support.

We've established a Well-being Committee which is a diverse group of Well-being Champions across multiple departments to help formalize our employee well-being strategy and coordinate implementation of initiatives – bringing together our benefits, talent management and HSE functions to continue advancing employee health and safety globally.

Our managers are critical for promoting a culture of well-being across Elanco. We offer manager training across the five dimensions of personal well-being – physical, mental, social, renewal and financial – providing leaders with the understanding and tools to promote well-being within themselves, and their teams.

Recognizing the human-animal bond and the potential for pets to enhance our employee experience, in 2021, we introduced a policy allowing employees at our U.S. headquarters to bring their dogs to work. Employees have noted that the program helps to reduce stress, improve overall health, and increases socialization among co-workers.

At Elanco, we believe in fostering a company culture where we support one another – especially during challenging times. Over the years, we've watched some of our colleagues and their families be affected by natural disasters, geopolitical events or other unexpected hardships like a house fire or loss of a spouse or partner. We understand it's difficult to perform at our best when we're burdened by financial concerns stemming from traumatic events.



In 2023, we launched the global OneElanco Employee Relief Fund – providing an opportunity for Elanco employees to help directly support colleagues experiencing unforeseen financial hardship. This program provides a valuable safety net and peace of mind for Elanco colleagues around the globe – available when they need it most.

Metrics and Targets

Elanco's health and safety culture relies on our capability to collect the right data to understand performance, engage our people and report outcomes. And leading indicators allow us to enhance our culture and reduce risk through continuous improvement. Through our HSE Tracks data management platform, we compile injury data and forward-looking indicators such as near misses and leadership engagement. We treat near misses as major company-wide learning opportunities and complete root cause analyses so managers can embed lessons into their team coaching and ongoing work environments.

It is critical for leaders to embody the health and safety mindset we expect from employees across the business. Recent leadership safety engagements include:

- Improved issue identification and establishment of corrective actions in key locations
- Emphasis on ergonomic issues and case management
- Key performance indicator tracking in newly established software
- Sharing key insights across teams, and across organizations

We track health and safety metrics such as: lost/restricted time injuries, total lost and restricted days and work-related fatalities. All metrics are tracked monthly at all sites and for field and remote employees.

In 2021, we established a company-wide safety goal to achieve and sustain a 30% reduction in DART (Days Away Restricted Time) injuries by 2025 (2021 base year). To view our public metrics and targets related to HSE performance, see our [ESG Key Performance Indicators](#) (KPIs) resource or annual [ESG Report](#).

In addition to performance metrics, we actively track leadership safety engagement, employee safety observations and “Voice of the Employee” engagement survey feedback on management commitment to safety. All employees experiencing a work-related injury or occupational illness are expected to immediately inform their supervisor and report to our internal Employee Health Services department. Each report initiates appropriate follow-up actions to determine future preventative measures.

By empowering employees to identify and document safety concerns, we are promoting an environment where everyone has responsibility for the safety of our operations. As employees become more adept at observing potential safety risks in their work environment,

they submit more safety observations. Our leadership supports and reinforces employee safety reporting during walkthroughs and direct employee engagements. All these elements combine to provide a leading performance indicator for workplace safety culture.

Governance and Risk Management

Our Board of Directors and executive management team actively oversee Elanco's approach to employee health and safety. The [Audit Committee](#) reviews policies and practices related to employee health and safety. The Audit Committee monitors compliance of these areas and reports, receives safety briefings and makes recommendations to the full Board, as appropriate.

Our HSE department – part of our manufacturing and quality organization – has operational responsibility for employee health and safety and managing our environmental impacts. HSE receives oversight from the global HSE Steering Committee, a cross-functional group which includes representatives such as our Executive Vice President of Human Resources, Communications and Administration; our Executive Vice President of Manufacturing and Quality; our Executive Vice President, General Counsel and Corporate Secretary; and our Global Head of ESG and Sustainability.

In addition, each business area has a governance team of senior leaders who provide oversight for HSE performance within their area. At all our Manufacturing and R&D sites, we also have local governance and mandatory HSE KPIs and reviews of comprehensive performance.

Annual performance measures for our Senior Director of HSE; Senior Vice President of Quality, HSE and Technical Services; and other senior leaders across our manufacturing and quality organization and other departments include measures tied to management of HSE issues and metrics. These may include reduction in injury rates, regular audit of internal and external facilities, increases in employee safety engagement and reporting, and attainment of goals such as our 2025 DART target. This means Elanco's HSE initiatives and performance are considerations when determining annual merit salary increases and bonus awards for these individuals.

External Affiliations and Collaborations

Elanco actively participates in the Pharmaceutical Supply Chain Initiative (PSCI). Through PSCI, Elanco works alongside more than 50 other companies in the human or animal pharmaceutical industries to understand new global trends, legislation and best practices for managing HSE risks in our supply chain. Elanco leads and actively participates in multiple PSCI committees, as well as learning events for our suppliers around the globe.



Additionally, Elanco participates in industry regulatory committees with scientific leaders to ensure the HSE aspects of Environmental Safety Dossiers globally are also considered – including such topics as pharmaceuticals in the environment. Elanco also participates in environmental forums with additional organizations such as the Animal Health Institute (AHI), Animal Health Europe (AHE), Canadian Animal Health Institute (CAHI) and the International Feed Ingredient Federation (IFIF).

The content of this brief is informed by global ESG disclosure standards and frameworks.

Updated July 2024