# ELI LILLY AND COMPANY CORPORATE OVERVIEW

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Approved for External Audiences. Updated May 2022.

## Our Purpose + Values

## Lilly unites caring with discovery to create medicines that make life better for people around the world.



## **Global Fast Facts**

A heritage **147 years strong**, founded on May 10, 1876

......



Headquarters located in Indianapolis, Indiana, U.S.A.



More than 39,000 employees worldwide



Approximately 8,300 employees engaged in research and development



Clinical research conducted in more than 55 countries



Research and development facilities located in 7 countries



Manufacturing plants located in 7 countries



Products marketed in 120 countries

## Know your presenter – Sujoy Deb

### Educational

- **Bachelor in Chemical Engineer** ٠
- MBA in Finance & Information Technology ٠
- **Chartered Financial Analyst** ٠

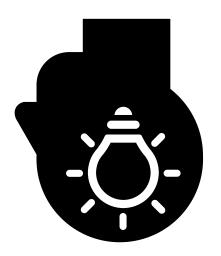
### Professional

- 22+ years of profession experience across Manufacturing, Marketing and Consulting ٠
- 19+ years of experience in Pre sales, Build SAP Financial, Project management, Implementation, Support, Integration, Enhancement ٠ using external system across different name spaces, Creation of in-house data warehouse, Migration To and From SAP
- Worked across industries like Discrete manufacturing, Cutting tool, Telecom, Life Science, Public Sector, Educational Institution, Non profit ٠

### Journey in Lilly

- Worked across the aisles between core IT and Business •
- Led SAP rollout across 20+ countries ٠
- Part of many Acquisitions & Divestitures from SAP standpoint ٠
- Leading many roles in S4 implementation (Nexus) •

## Deep dive....



Lilly's journey towards Global Compliance Reporting using **SAP's** Document & Reporting Compliance (DRC)



## What is DRC

## **Document and Compliance Reporting-DRC:**

-SAP's comprehensive solution to address Global Compliance Reporting -Address constant need to local legal requirement and changes on those -Focus to address Indirect Tax primarily but also supports beyond that -Formerly known as Advanced Compliance Reporting ACR -Continuously expanding the scope either in house SAP development and/or with 3<sup>rd</sup> party

## Lilly DRC Journey- Project Context

### Scope of opportunity in

- Frequency-Periodic Month, Quarter & Annual
- Frequency-Near real Time-Audit extract, Lesser than transaction time but sooner that periodic •
- Frequency-Truly real time- E invoicing etc.
- Content-VAT (or equivalent), Withholding tax, Fixed asset, Financial Statements, Cash flow, GL based ٠

### What we have (soon to be had) now

- Fragmented in terms of tools and strategy by Report, by Country, by Region ٠
- Report built on ad hoc basis from ongoing requirements and implemented respecting any existing custom logic from earlier implementation ٠
- More of data than information and compliant reporting

### Timing- Why we did along with S4 Hana

- We wanted to take the opportunity of upgrading to S4 Hana in Nexus project ٠
- Built for the future
- Efficient use of tester's and SME's time •
- Minimizing cross tower impact ٠
- Mitigation of risk might be in process side from reporting demand ٠
- Take advantages of very detail testing cycle already in place for Nexus ٠

## Lilly DRC Journey- Project Build

### **Business Driver**

- SAP push towards dedicated reporting tool (with gradual separation between transactional system & reporting solution)
- Types of reporting to be address: Periodic, Near real time, Submission to govt. portal etc. ٠
- Reduce the variation across globe which difficult in support and manage central knowledge .
- Aligned with Nexus's goal of Standardize, Simplification & Streamline •
- Content-VAT (or equivalent), Withholding tax, Fixed asset, Financial Statements, Cash flow, GL based

### **DRC Project Timeline**

- Acquired DRC license in January 2022
- Server setup in June 2022 with subsequent project onboarding and work commencing in July 2022 ٠
- Now caught up and aligned with Nexus schedule (Planned go live in February 2024)

### Lilly's scope of DRC implementation

- Periodic Reports on Indirect tax (VAT, GST, SUT, etc.), Withholding Tax, General Ledger, Fixed Assets, Financial Statements, & Cash Flow ٠
- Near Real time (NRT) reports such as Spain SII, Hungary NAV, UK MTD, and select SAF-T ٠
- Global reporting dashboard with aging metrics, etc. ٠
- Use of multiple Fiori Apps using Manage Team integrated with multi level Workflow,

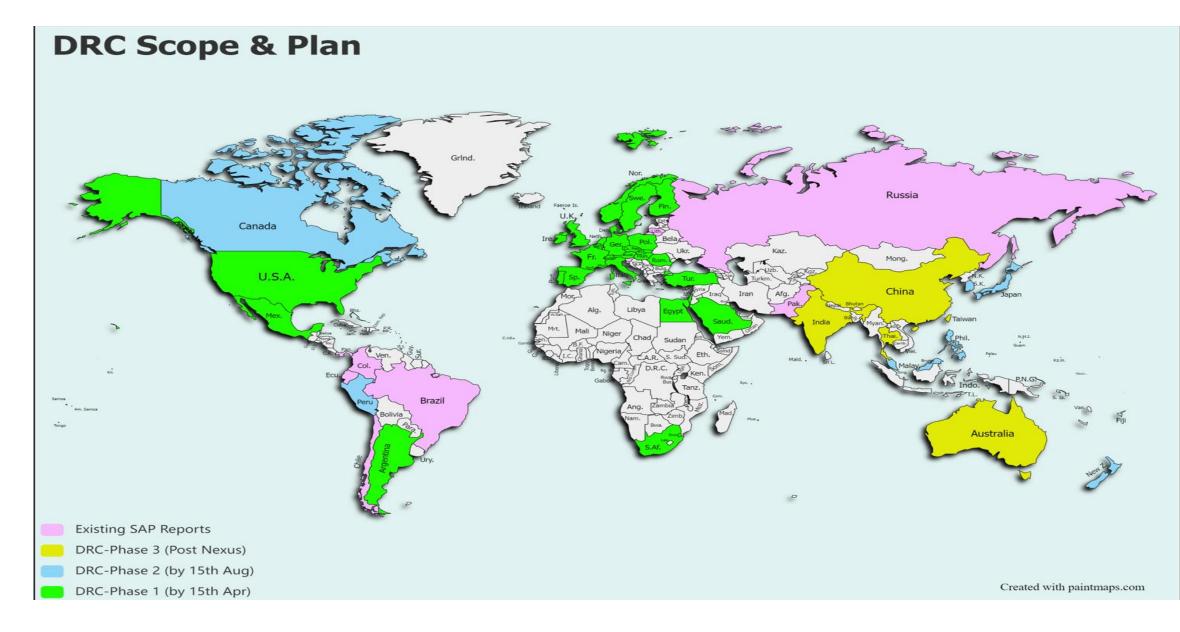
## Lilly DRC Journey- Scope

### **Project Goals & Deliverables**

- Deliver one global and unified Compliance & Reporting platform across ~42 countries •
- Generate reports in a format compliant for that report for that country
  - Keep reports compliant and up to date with constant law changes across countries
  - Goal is to deliver 130+ reports with Nexus (~18 reports each month using a very new complex tool!)
  - Another 20+ reports to be delivered after Nexus
- Global compliance dashboard to be utilized to show report status, ageing, & phases of submission •
- Report delivery and SOD built using Fiori App Manage Team ٠
- Workflow for Submission & Approval ٠

\*\*Global compliance solution will replace many ad-hoc, on demand reporting built though several SAP releases, roll outs, enhancements & production support across 20+ years\*\*

## Lilly DRC Journey- Project Coverage

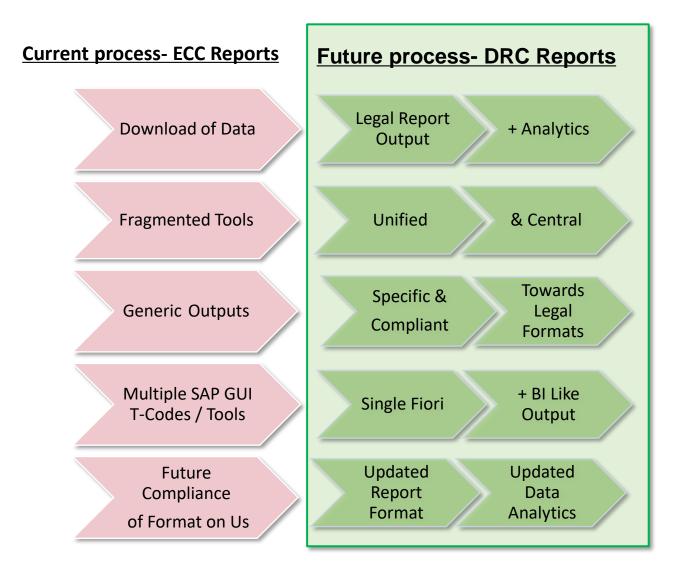




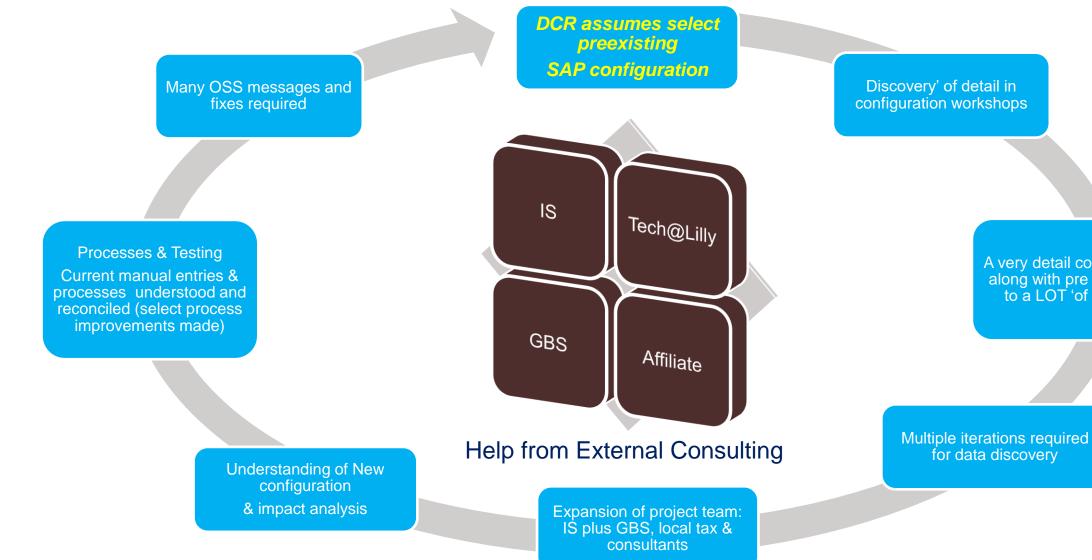
## Lilly DRC Journey- AS-IS → TO-BE



- Report = Data + Format
- Tax report rarely matches across country by content & format. How can same tcode support that?
- Why did we not have a central tool so far?
- Why our report changes takes so long?



### Lilly DRC Journey- Cycle of Discovery & Muscle behind it



A very detail configuration help along with pre requisite leads to a LOT 'of reading time

### Lilly DRC Journey- Summary for <u>Periodic Reporting</u>

Functionality Area	Great benefit as we see	Areas o DRC				
	Three different output option and ways to view content	Faced har				
	BI/BW style report to get additional fields, easy on users	(e.g. Acco				
	Multiple option to download data from Analytics screen	Challenge				
	Filter bar on top of the report to remind user what they are viewing	scenarios				
	Many options to Sort, Filter etc.	There are being pub				
	Ability to view final legal output in easy on eye view irrespective of format (xml,text, pdf etc.)					
	All in built pre delivered formats across .XML, .TXT, .PDF, .XLSX, Table view					
Run Compliance Report	Many in built pre delivered language compatibility if that's a legal requirement in that country					
	Flexible use of Parameters which can even control file names if needed (e.g. Mexico)					
	Ability to download final output file and at times for direct E Submission					
	Ability to update xml output file (most of the time) with audit control and version management					
	Ability to enhance delivered CDS views for additional flexibility					
	Ability to have output layout by reports (either Shared or Private)					
	Ability to decide layout update by Deferred or Instant changes					
	Total audit trail on all the runs of each report by user, By Date/Time in very easy way					

### of improvement for

ard coding in process areas counting Key on tax code)

ges in certain business as need iterative OSS work

e many OSS Notes still blished for certain areas

### Lilly DRC Journey- Summary for <u>Periodic Reporting</u>

Functionality Area	Great benefit as we see	Areas o DRC					
	Ability to Include and Exclude document(s) from reporting	Additional will be help					
	Ability to assign a period when we want that excluded doc to bring back						
	Ability to add comments on any Deferral with full audit trail						
	Helping separating reporting date from Posting and Document date						
Manage Tax Item	Ability to defer in mass						
	Ability to defer for indefinite time						
	Easy view for Included and Excluded including comments						
	Search of documents by many criteria						
	Ability to re run reports based on last inclusion/exclusion from Manage Tax Item						

### of improvement for

### al fields on search criteria elpful

### Lilly DRC Journey- Summary for <u>Near Real Time Reporting</u>

Functionality Area	Great benefit as we see	Areas o DRC
	Ability to use GUI based Edoc Cockpit and/or Fiori App	Few issue
	Very user friendly interface on Fiori "Manage Electronic Documents"	doesn't all GUI does
	Ability to Filter, Sort etc.	Demands
	Ability to see Status and Message from tax authority with legal Code & Description	Governan
Near Real Time (Spain's SII,	Ability to view both the Outbound and Inbound file respectively To & From tax authority	
Hungary's Inv	Easy to navigate folder structures by nature of documents	
Registration, UK's MTD)	Many in built and pre delivered checks before submitting to tax authority	
	Ability to isolate data by User, by Date, by Type of NRT etc.	
	Well integrated with DRC Dashboard Fiori App "Manage Document and Reporting Compliance	

### of improvement for

### ues in Fiori App which allow certain activity as in s

### ls a very rigid Data Ince

## Lilly DRC Journey- Visual on Run Compliance Report-Overview of Report generation

< Lilly Run Compliance Reports • S4D - Devel South Africa VAT Declaration	lopment								
Reporting Entity: South Africa Reporting Entity Phase: Declaration # 1 Reporting Period: January(01/01/2020 - 01/31/2020) Reporting Year: 2020 Generated By									
Legal Reporting Selection Criteria Log Attachments		<b>∧</b>							
Document Name	Format	Size	Document Status						
VAT BOX SUMMARY	PDF	14.54 KB	Generated Successfully						



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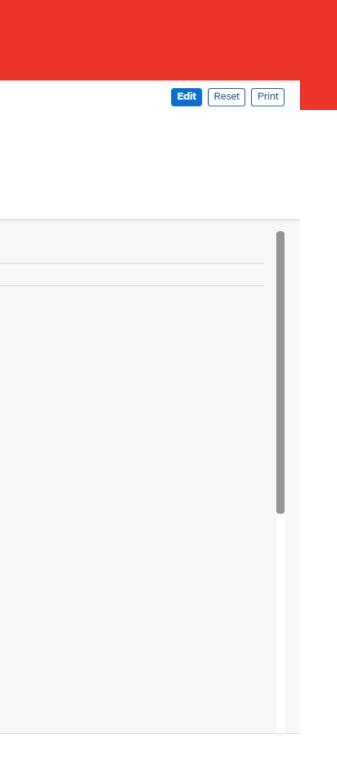
## Lilly DRC Journey- Visual on Run Compliance Report-DRC-Analytics

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## Lilly DRC Journey- Visual on Run Compliance Report-Report Output

### Document Name: VAT BOX SUMMARY Report Name: South Africa VAT summary report Run Status: Reporting Entity: South Africa Reporting Entity Generated Successfully Phase: Declaration # 1 Reporting Period: January(01/01/2020 - 01/31/2020) Reporting Year: 2020 Generated By: ■ Preview VAT Summary Trading Name: \* VAT Registration Number: \* Tax Period:\* First Name:\* Surname: \* Capacity: \* Business Telephone Number: \* Fax number:\* Call Number: \* Contact Email:\* Total Amount - Standard Rate (excluding capital goods and/or services and accommodation):\* Tax Amount- Standard Rate (excluding capital goods and/or services and accommodation):\* Total Amount - Standard Rate (only capital goods and/or services):\* Tax Amount - Standard Rate (only capital goods and/or services):\* Zero Rate (excluding goods exported): \* Zero Rate (only exported goods):\* Exempt and non supplies: \*

- Supply of Accommodation Exceeding 28 days:\*
  - Rate: \*
- Supply of Accommodation Exceeding 28 days value:\*



## Lilly DRC Journey- Visual on Run Compliance Report-Manage Tax Item

< Lilly	Manage Tax Items For Legal Reporting - Development										۹	₽ SD				
Standard* $\sim$													•	Go Hide Fil	lter Bar	Filters (2)
Company Code: *		Reporting Date: *	Reporting Ctry/Reg.:	Tax Code:		Document Number:		Tax Jurisdiction:		Posting Date:		Document Date:	Document Type:			
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Customer:		Supplier:														
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Tax Items (1763)	All (1763)	Included (1762)	Excluded (1)							Tax Item View 🕂
Document Status	Document Number	Company Code	Document Type	Fiscal Year Business Partner	Posting Date	Document Date	Tax Reporting Date	Comments	Original Reporting Date Last Changed By	Last Changed On
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				2020				Comments (0)		01/01/1970
$\checkmark \bigcirc$				2020				Comments (0)		01/01/1970
$\checkmark$				2020				Comments (0)		01/01/1970

### Lilly DRC Journey- Visual on-Teams & Workflow approval

### **Build Teams structures:**

- Build the SOD between Report Preparer & Approver, Tax Head by Role
- Can be done by Country, Entity, Category, Phase

### **Build Workflow:**

- Decide how to trigger Actions between Approve, Reject and few others
- Can decide criteria of each actions

	< Lilly Run Compliance Reports ▼ weden VAT Return	S4D - Development				
[	Reporting Entity: SE Reporting Entity Phase: Declaration # 1 Reporting Period: March(03/01/2020 - 03/31/2020) Reporting Year: 2020 Due Date: 03/26/2020	Run Status: Generated Successfully		Due Date Status: Overdue 1288 Days		Approval Sta Rejected
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	Report Run Status	Submitted By		Submitted On	Approval Status	
			No submitte	ed report runs.		
G	enerated					
	Runs (1)					Send for Appro
	Report Run Status	Generated By	Generated On	Approval Status	Report ID	
	Generated Successfully		06/21/2023, 15:06:38	Canceled		



Status:

al	Jpdate Submission Status Revert Status Cancel	0
	Report ID	
ppr	Al Update Submission Status Cancel Delete	0
	Report Run ID	
	00000036	>20

## Lilly DRC Journey- Visual on-<u>My Inbox for Actions</u>

< Lilly My Inbox -	S4D - Development				
All Items (16)	≦∃ Approve Report				
	۹				
Approve Report (12)	Advanced Compliance Reporting:	VAT Return(	) due on	is sent for Approval	
Advanced Compliance Reporting:	SAP WFRT				
VAT Return( SE_VAT_D SAP_WFRT Hig					
	Created on Oct 4, 2023, 10:57 AM				
	Report Run Details				
	Reporting Entity: Reporting Entity				
	Report Category: Sweden VAT Return (				
	Phase: Declaration (STAND)				
	Country: SE				
	Reporting Year: 2020				
	Reporting Period: 05/01/2020 -05/31/2020				
	Approval Requested By				
	Requestor Comments: test				

↑↓ ⊽ ≡ 10/10/2023



Status: Ready Priority: High



## Lilly DRC Journey- Visual on- NRT in Fiori

< Lilly Manage Electronic Documents <b>*</b>					Q 1	a sd
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## Lilly DRC Journey- Visual on- NRT in GUI Cockpit

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Spain SII Documents	12	Modification Requester	d		SII Outgoing Invoice				01/07/20
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		Rejected			SII Outgoing Invoice				03/26/20

## Lilly DRC Journey- Visual on-My Dashboard

Country ID - down	Description			December 201		Deserves al Oceanities Destan		D
Country/Region:	Report Name:			Report Due Date:		Document Creation Date:		Document Com
C C			G	Date Range (04/05/2023 - 04/05/2024)	G	Date Range (09/05/2023 - 10/05/2	2023) 🖸	
Reporting Progress			Reports	- Immediate Attention Required		5 of 2192	Documents - Ac	tion Required
2 к			Sort by	Pending Activities 🗸			5	
Reports with Status "Overdue" & "Due Soon"							Documents with Stat	us "Action required"
Group by Report Name			Norway	VAT Return		179 Days Overdue		
Group by Report Name 🗸				orting Entity		0 of 4 activities	Process	Actio
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