

**Eli Lilly Shareholder Meeting – Item #4**  
**Justin Danhof, Esq., General Counsel and Free Enterprise Project Director**  
**The National Center for Public Policy Research, May 2, 2016**

I'm Justin Danhof of the National Center for Public Policy Research, and I rise to move our shareholder proposal which is Item #4 in the company's proxy statement.

Last spring, Eli Lilly joined with a host of corporations in vilifying religious freedom laws. Regarding Indiana's effort to protect its citizens' deeply held religious beliefs, Lilly claimed that this was "bad for Indiana and for business." Since that time, many more corporations have joined this mob effort to quash religious liberty.

Religious freedom has been part of American jurisprudence since our nation's founding. So it's fair to ask: why are Lilly and others voicing objection to this basic civil right now?

The federal government and 31 states have heightened religious freedom laws. This is all they do. First, they say that the government should not interfere with an individual's religious freedom unless doing so is necessary to reach an important government goal. Second, they say that if the government can reach its important goal in a way that does not abridge religious freedom, it should choose the other method. That's it. The federal religious freedom restoration law was co-authored by Senator Ted Kennedy and signed into law by President Clinton. Its purpose is to protect religious rights, which are civil rights. The state laws imitate the federal law.

Corporations and the mainstream media have expressed concern that religious freedom laws will lead to discrimination, in part, against homosexuals. There is zero evidence for this concern. These laws only require the government to avoid interfering with religious freedom if it can do so while still achieving important government goals – one of which, in every state of the union, is outlawing discrimination. The company's spokesman stated: "One of our long-held values is respect for people, and that value factors strongly into our position. We want all our current and future employees to feel welcome where they live."

Our proposal takes Lilly up on this. Eli Lilly has operated in many nations where homosexuality is outlawed. In some of those countries, homosexual acts are punishable by death. Women have almost no rights in some of these places. And try getting a fair trial in many of these nations.

For that matter, if religious freedom laws are such a cause for concern, why does Lilly work with the federal government and its myriad health care programs since the federal religious freedom law is substantially the same as Indiana's?

Our proposal simply asks management to prepare a report identifying Lilly's criteria for operating in regions with significant and systemic human rights violations. If the company is worried that basic religious freedom laws in the Hoosier State and elsewhere would harm its employees, then we must question why the company operates in regions with actual discrimination and human rights atrocities. Please join me in supporting item #4.

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