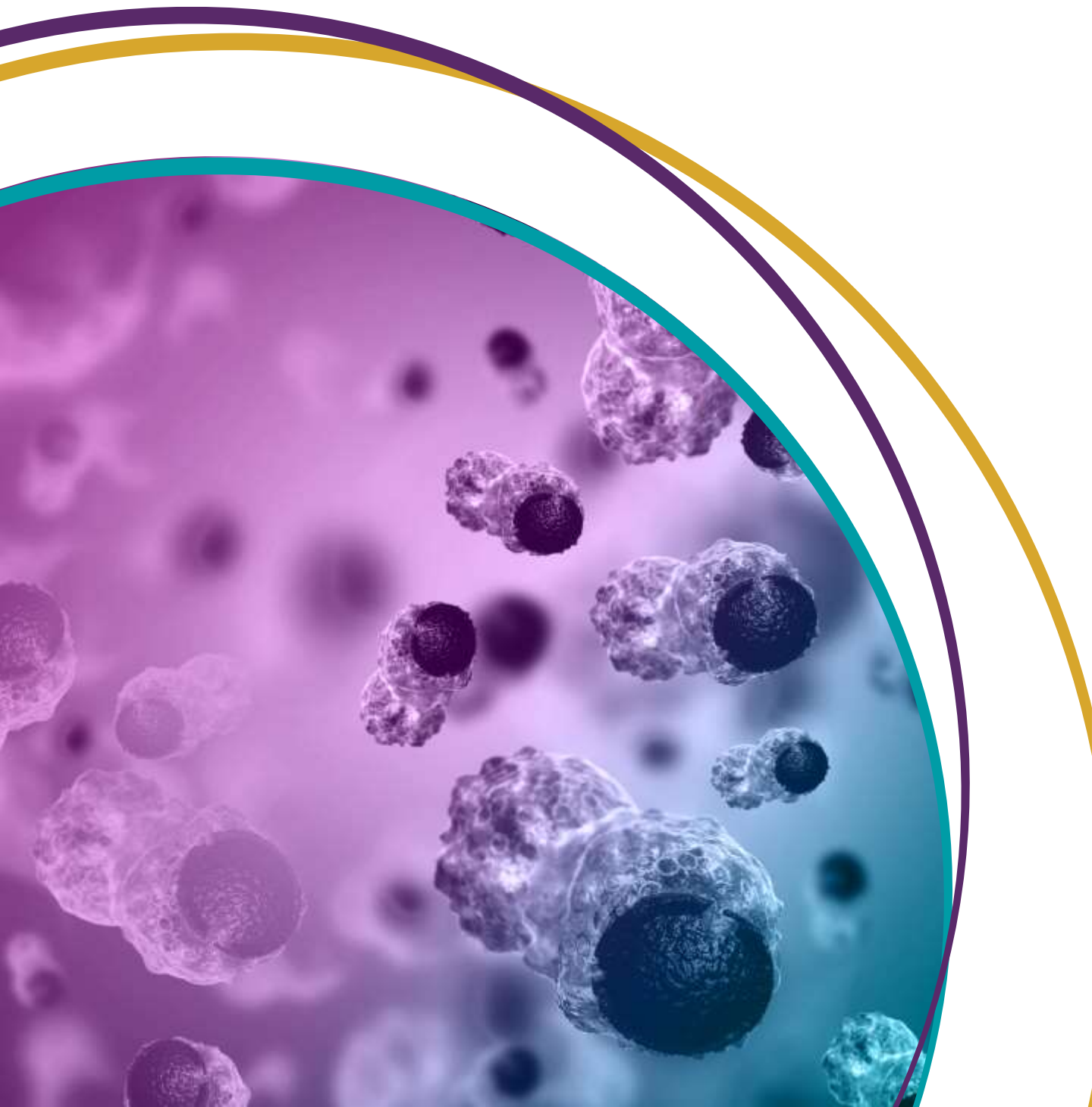




Lyell Immunopharma

2022 ESG Report



Contents

A Letter from Our President and CEO, Lynn Seely, M.D.	3
2022 Environmental, Social and Governance (ESG) Highlights	4
About Lyell	5
ESG at Lyell	6
2022 ESG Progress	7
Talent, Engagement and Culture	7
Diversity, Belonging, Inclusion and Equity	8
Employee Safety	9
Employee Health and Well-being	11
Corporate Governance	13
Compliance and Ethics	14
Data Security	14
Environmental Impact	15
About this Report	16



A Letter from our President and CEO, Lynn Seely, M.D.

Cancer is a formidable foe, and Lyellites work with a sense of urgency to deliver better cancer therapies to patients. We believe cell therapy has the potential to transform the way cancer is treated, delivering cures to even the most difficult-to-treat solid tumors. By working together as a unified, focused and inclusive community, Lyellites aim to turn that potential into reality.

Lyell is a T-cell reprogramming company developing therapies for patients with solid tumors, which represent 90% of cancers. Our genetic and epigenetic reprogramming technologies are designed to produce large numbers of T cells, the body's natural cancer-fighting cells, that have the potency and durability to eradicate cancer. Cancer is a leading cause of death worldwide and transformative therapies are needed to effectively harness the patient's immune system to fight the disease. Lyell uses the patient's own living cells to develop novel targeted and personalized cancer therapies.

We approach our business and corporate responsibilities with a mindset focused on the long term – our goal is to provide positive and durable impact for patients and our community. We understand that caring for the people and the world around us can make us stronger. We are intentional about building our culture, living our values and developing our employees. As we advance in the clinic, we are taking notice of our environmental, social and governance (ESG) performance and are delighted to publish our first ESG progress report.

We are guided by our core values of science, respect, collaboration and courage, and strive to make Lyell a place where everyone can do their best work in a welcoming environment. We believe in nurturing our culture and community and creating an inclusive environment in which a diverse group of Lyellites can thrive both professionally and personally.

This report highlights the data and strategies behind our efforts to responsibly advance our business and engage and support our people and communities. We strive to build trust and credibility with our valued stakeholders by operating with transparency, integrity and high ethical standards, and to reduce our environmental impact, an area that will gain more focus as our footprint grows.

The force behind these efforts is the belief that we can change lives for the better. Lyellites show up to work every day motivated by the vision and belief that our innovative technologies can give people with cancer the gift of time.

Sincerely,

Lynn Seely, M.D.
President and CEO



2022 Environmental, Social and Governance (ESG) Highlights

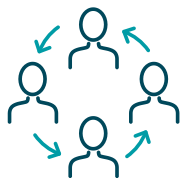
Lyell's goal is to give people the gift of time.

Our mission is to realize the potential of cell therapy and transform the way solid tumors are treated.



Our **culture** is built on a foundation of our core values of **science, respect, collaboration and courage**. In 2022, we launched Lyell Engage, an employee communication forum, to bring colleagues together and gather insights to collaboratively enhance the employee experience and further amplify our core values.

We recruit and nurture **inclusive teams** that represent a diversity of backgrounds, views, ethnicities and genders. In 2022, **57% of leadership positions at Lyell were held by women**.



Lyell has a **CEO-sponsored Diversity, Belonging, Inclusion and Equity (DBIE) Task Force**, a group of employees from across the company who are responsible for developing and executing our DBIE roadmap, and for collaborating to educate and amplify employee perspectives.



We recognize that when **we create opportunities for Lyellites to grow within the company**, we increase the likelihood that they will enjoy a longer future with Lyell. In 2022, we launched a comprehensive career development framework, called Our Talent Place, to help Lyellites manage their careers.

As a small company, we are **already taking steps to reduce our environmental footprint**, from reducing waste and use of plastic in our offices to operating a paperless manufacturing facility and eliminating unnecessary air travel and commuting.



Our Board of Directors provides oversight, strategic guidance, counseling and direction to management. The Board assesses risks facing the company and monitors compliance with ethical business conduct and the high standards we have set for ourselves. Our [Corporate Governance Guidelines](#) inform the conduct and operation of the Board. **75% of Lyell's directors are independent**, and three of our eight directors are women.



About Lyell

Lyell is a clinical-stage T-cell reprogramming company advancing a diverse pipeline of cell therapies for patients with solid tumors. The technologies powering our product candidates are designed to address barriers that limit consistent and long-lasting responses to cell therapy for solid cancers: T-cell exhaustion and lack of durable stemness, or the ability of cells to persist and self-renew to fight cancer. We are applying our proprietary *ex vivo* genetic and epigenetic reprogramming technologies to the patient's own living T cells to address these barriers in order to develop new medicines with improved and durable clinical benefit. We currently have two programs in clinical development, including a chimeric antigen receptor T-cell (CAR T cell) program for patients with relapsed or refractory triple-negative breast cancer or non-small cell lung cancer (NSCLC), and a tumor infiltrating lymphocyte program for patients with advanced melanoma or late-stage NSCLC or colorectal cancer. Lyell is a public company based in South San Francisco, California with facilities in Seattle and Bothell, Washington.

ESG at Lyell

As we strive to deliver the promise of cell therapy to patients with solid tumors, we are also focused on enabling the long-term sustainability of our company through ESG efforts. While our company is still in the early clinical stage, we recognize the potential impact we can have on patients and the world and aim to build a sustainable company to achieve our ambitious goals. We are cultivating a culture grounded in respect — for patients, our people and our planet — operating with integrity and transparency and listening to and learning from the communities we serve. As we grow, we will continue to evolve how we approach ESG, remaining focused on our mission and contributing to a sustainable future for our company and patients.





Talent, Engagement and Culture

We hope that people come to Lyell to do their best work – and enjoy it. Great performers thrive in an environment where employees are respected, informed, empowered and engaged. A formal Engagement Survey conducted every 18 months measures Lyell’s performance against industry benchmarks in areas such as Organizational Health, Diversity and Inclusion, Work-Life Balance and Communications. We are transparent in sharing the results and, when survey feedback indicates improvement is needed, we are proactive about seeking ways to do better.

In addition to our full Engagement Survey, we conduct an Engagement Pulse Survey every 12 months that focuses on a subset of specifically chosen areas. In 2022, our Engagement Pulse Survey showed positive results across the focus categories of Senior Leadership, Growth, Work-Life Balance and Communications. The survey results indicated strong favorability on questions such as “I would recommend Lyell as a place to work,” “People are willing to confront and solve problems” and “Lyell does a good job of communicating with employees on matters that affect them.”

When employees know they are heard and their opinions are valued, their commitment to our mission is strengthened, which builds our strength as an organization. In 2022, to help optimize an evolving hybrid work environment and further enhance the Lyell culture, we launched a project called Lyell Engage. Insight sessions were facilitated by an external partner who gathered Lyellites from across the company, including members of the management team, to brainstorm and then experiment with ideas to continue to evolve our employees’ experience. Lyell Engage created six unique teams that created experiments based on employee-generated ideas, the majority of which were implemented.

Lyell has multiple internal communication channels to help keep employees well informed and connected with the business and each other. A primary communication channel that highlights decision-making and priorities within the company is our monthly All Hands meetings. These cover a variety of business and scientific topics and include time for addressing live and anonymously pre-submitted questions. The Q&A session provides transparent and timely answers to employee questions and concerns. These meetings are also used to welcome new employees and recognize individual and team efforts that advance our mission. Lyell also has corporate and interest-group Slack channels to engage and connect employees, including a recognition channel for ongoing, real-time peer-to-peer appreciation and recognition.

We continue to invest in the growth and development of our employees. In 2022, we built and implemented a comprehensive talent management platform called Our Talent Place, which includes an annual calendar of activities for talent review, promotion cycles and development planning. Our Talent Place is supported by foundational documents such as our competency model, career frameworks for team members and leaders and multiple tools to assist Lyellites and their managers in navigating talent management. Lyellites can also apply for new positions within the company and, in specific situations, consider an internal development transfer. We recognize that when we create opportunities for Lyellites to grow within the company, we increase the likelihood that they will enjoy a longer future with Lyell. Our voluntary attrition is favorable compared to average benchmarks in the biotech industry and the geographic regions where our facilities are located.

Diversity, Belonging, Inclusion and Equity

Respect is at the heart of Lyell culture and is the foundation of how we treat each other – including respect for our different backgrounds, views, religions, genders, ethnicities and sexual orientations. A cornerstone of respect is listening, and listening is central to our DBIE efforts. These efforts took root early in our company’s history. Since 2020, we have offered company-wide discussion sessions covering topics such as unconscious bias, creating a harassment-free environment, allyship and building inclusivity in the workplace. Lyell’s DBIE efforts have evolved to include employee-led formation of affinity groups, BLyell (Black employees at Lyell), PRIDE (LGBTQIA+) and South Asians at Lyell, all of which help to create a welcoming environment for our employees. Additionally, our DBIE Task Force develops and executes an annual plan and tactics that are implemented with the support and participation of employees across the company. These activities include an educational speaker series and events that celebrate a variety of holidays and cultural moments reflecting the diversity of our employees.



“ At Lyell, we care about our patients, each other, and our community. We know that it will take people from all backgrounds and experiences to develop a cure for patients with solid tumor cancers. ”

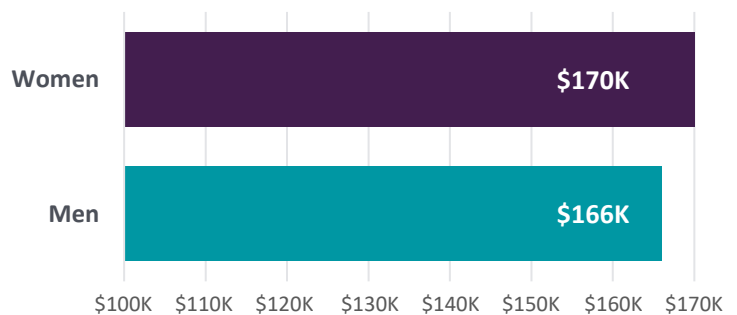
- Lyell Diversity, Belonging, Inclusion, and Equity (DBIE) Statement



We believe that diverse teams promote diversity of thought and promote better business outcomes. This commitment is reflected in the gender composition of our workforce, with 50% of our full-time employees who self-report as female. At the senior and executive level (Vice President and above), that percentage is higher, with 57% of positions held by women. To further advance the diversity of Lyell's workforce, we have used a variety of recruiting practices and platforms intended to generate diverse candidates. It is our belief that diverse teams are critical to eliminating cultural blind spots, and are critical to our ability to engage communities with the level of sensitivity and care that will be required to positively impact clinical studies and hopefully allow for equitable access to treatment.

In considering potential candidates, we believe it is important to consider the full breadth of diversity, including factors such as race, ethnicity, sexual orientation, gender identity, gender expression, age, education, and cultural background, as well as professional characteristics. When we engage third-party search firms, we request a slate of diverse candidates that meet the applicable business and search criteria.

Median Lyell employee wage



Employee Safety

Health is our business, and the health of our workforce is critical to our success. Our commitment starts with safety. We strive to create a culture of safety, focusing on compliance and risk mitigation strategies that identify and alleviate potential hazards. To promote a strong safety culture in each of our sites, including our LyFE Manufacturing Center, we:

- drive an intense focus on safety that guides our daily activities across all our facilities and promotes a culture of safety from the top down;



- mandate safety training for relevant job categories and closely enforce completion of that training;
- reinforce our safety training with visual reminders of hazards and visual reminders of the requirements for appropriate personal protective equipment in the laboratories and manufacturing facility;
- maintain a catalog of task-based safety programs designed to reduce accidents and exposures;
- run a behavior-based safe submissions program to empower employees to report safe and unsafe behaviors or conditions. In addition to site-based safety committees, we have a corporate-level safety oversight committee that addresses policy matters and provides consistency across our sites. Site safety committees review submissions from the program monthly, escalating and addressing any issues; and
- provide ergonomic education and equipment to our employees.

Taken together, these steps yielded a safety record of which we're proud. Lyell's 3-year average total recordable incident rate (TRIR), the Occupational Safety and Health Administration (OSHA) measure of workplace safety, is 0.67, which is below the reported TRIR for both research and pharmaceutical manufacturing industries.



Employee Health and Well-being

Our commitment to employee health extends beyond safety to include employee well-being. We believe that being in a state of well-being allows employees to be productive, build positive relationships, deal with stress and make meaningful contributions at work and at home. We offer a broad range of benefits to support our employees: a comprehensive package of compensation and benefits that includes competitive compensation; short- and long-term incentives; an Employee Stock Purchase Program (ESPP); comprehensive medical, dental and vision health plans; 401(k) Retirement savings plan with a company match; and generous paid time off to help Lyellites maintain balance in their lives.

In addition, Lyell offers a number of unique programs and benefits to support employee well-being. These include:

- Paid Parental Leave and Medical Leave:
 - We provide up to 12 weeks paid leave for employees taking time off to welcome a new family member or to recover from a serious medical condition.
- Employee wellness initiatives:
 - Each month, our People Team promotes one of Lyell’s five pillars of well-being, emotional, physical, financial, social and career, to raise awareness and provide information on relevant benefits (e.g., “Holiday Stress Management” and “Musculoskeletal Health Awareness”).
 - In 2022, we surveyed our employees on benefit offerings and utilization. Based on employee feedback and an interest in more well-being resources, we added Wellness Coach, a benefit accessible to Lyellites and their families that provides live and on-demand classes, personal and team coaching sessions and wellness content on topics such as mental health, nutrition, sleep, meditation and finances.



- **Organized hybrid working environment:** While many Lyellites work in roles that require being onsite four to five days per week, we have launched an organized hybrid approach in order to capture the benefits of both working onsite and remotely for the entire Lyell community. Under Organized Hybrid, Lyellites work onsite two to three days per week and can work remotely on other days, depending on their role.
- **Employee Assistance Program (EAP):** For employees and their family members, we provide five free counseling sessions per incident. Additionally, participants in our medical plans have access to mental health and emotional well-being resources, and telehealth visits with psychiatrists.
- **“Focus Friday”:** A weekly Friday afternoon block of time free from company-wide, all-function and large cross-functional non-urgent meetings
- **Weekly Wednesday lunch:** Provided at all sites, this creates a time for employees to connect over a meal, and often aligns with diverse holiday celebrations.



Corporate Governance

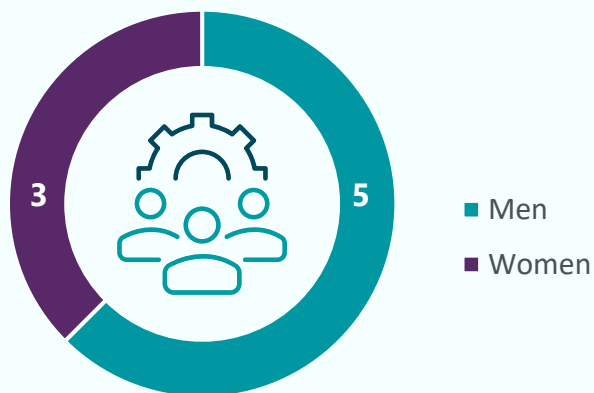
Board of Directors

Our Board of Directors provides oversight, strategic guidance, counseling and direction to management. Specifically, the Board of Directors is responsible for reviewing, approving and monitoring financial and business strategies, as well as major corporate actions. The Board also assesses risks facing the company, selects and oversees management and maintains the integrity of the company.

Lyell's Board of Directors consists of eight members who are among the foremost leaders in the fields of biotechnology, oncology and cell therapy. Our [Corporate Governance Guidelines](#) inform the conduct and operation of the Board. Consistent with the guidelines, which require no fewer than 50% of Board members to be independent, 75% of Lyell's directors are independent. The Chairman of the Board, Richard Klausner, M.D., and the lead independent director, Catherine Friedman, oversee the Board's activities, including those of audit, compensation and nominating, and corporate governance committees.

Lyell Board of Directors

Gender Composition



Compliance and Ethics

Lyell's success depends in part on every employee's compliance with laws, regulations and ethical standards. Our standards for ethical conduct, public disclosures and legal and regulatory compliance are prescribed in our [Code of Business Conduct and Ethics](#) and our employees are regularly trained on the Code. Specific topics covered in the Code include ethical conduct, discrimination and anti-harassment, inside trading, conflicts of interest, and gifts and entertainment.

Beyond the measures outlined in the Code, we expect all executives and personnel to act with the highest level of transparency and integrity. These characteristics are essential to building long-term trust and credibility with employees, collaborators, investors and other stakeholders.

We care deeply about the safety of patients participating in our clinical development programs and follow the U.S. Food and Drug Administration (FDA) and institutional review board approval procedures and guidances as required by laws and regulations. We protect patient safety by using qualified contract research organizations overseen by our qualified study managers, using appropriate informed consent, safety monitoring and reporting overseen by an independent data and safety monitoring board consistent with good clinical practice guidelines. We manufacture our clinical study product candidates consistent with good manufacturing practice regulations and guidelines.

“*Lyell expects all of its directors, executives, managers and other supervisory personnel to act with honesty and integrity ... and to foster a culture of fairness, honesty and accountability within Lyell.*”

- Lyell Code of Business Conduct and Ethics



Data Security

Our customers, patients and employees depend on us to protect and secure sensitive data and information. Lyell strives to comply with applicable privacy laws and has assigned a Privacy Officer.

Lyell takes a data-driven, risk-based approach to data security that is implemented through the deployment of proactive and reactive capabilities. This approach is outlined in



our comprehensive internal security roadmap, which meets or exceeds compliance with the National Institute of Standards and Technology Cybersecurity Framework and with laws and regulations. The roadmap is updated quarterly to ensure we are keeping pace with the changing security landscape and the company's growth.

- **Proactive:** We believe cybersecurity is every employee's concern. Lyell holds mandatory regular security awareness trainings, conducts regular, rigorous phishing simulations to measure our risk and provides tools and education to the Lyell community to identify and report suspicious activity. In addition to native security services that protect critical data stored on the cloud, a third party continuously monitors and alerts us of any security vulnerabilities or compliance deviations.
- **Reactive:** A highly trained, cross-functional incident response team is fully prepared to manage security incidents.



Environmental Impact

As a clinical-stage biotechnology company, we understand the urgent imperative to combat the growing threat of global climate change. We've taken steps to minimize our environmental impact, from reducing waste and use of plastic in our offices to operating a paperless manufacturing facility. We intend to carry this commitment forward as our company grows.

- Our LyFE Manufacturing Center integrates advanced data and analytics approaches to enable a paperless manufacturing process.
- All hazardous wastes are dealt with in accordance with all rules and regulations, and the processes are chosen for their lower impact to ground disposal or waste sites.
- To reduce emissions, we are judicious when planning air travel between our facilities in Washington and California and in-person attendance at industry meetings. We provide commuter benefits to encourage the use of public transportation and take full advantage of our technology and remote capabilities to virtually network and engage with colleagues, stakeholders and peers when appropriate.
- In lieu of using single-use plastics, we use compostable and recyclable products and stock our offices and kitchen areas with glassware and other reusable products.
- We have a broad recycling program, including for electronics and batteries.



About this Report

This 2022 ESG progress report represents Lyell's first ESG report and our commitment to corporate responsibility. Lyell became a public company in 2021 and, while we did not issue an ESG report that year, elements of our ESG approach were included in our Annual Report on Form 10-K for the years 2021 and 2022. The contents in this 2022 ESG progress report complement the disclosures outlined in those annual reports.

For more information, contact Ellen Rose, Senior Vice President, Communications and Investor Relations, at erose@lyell.com.