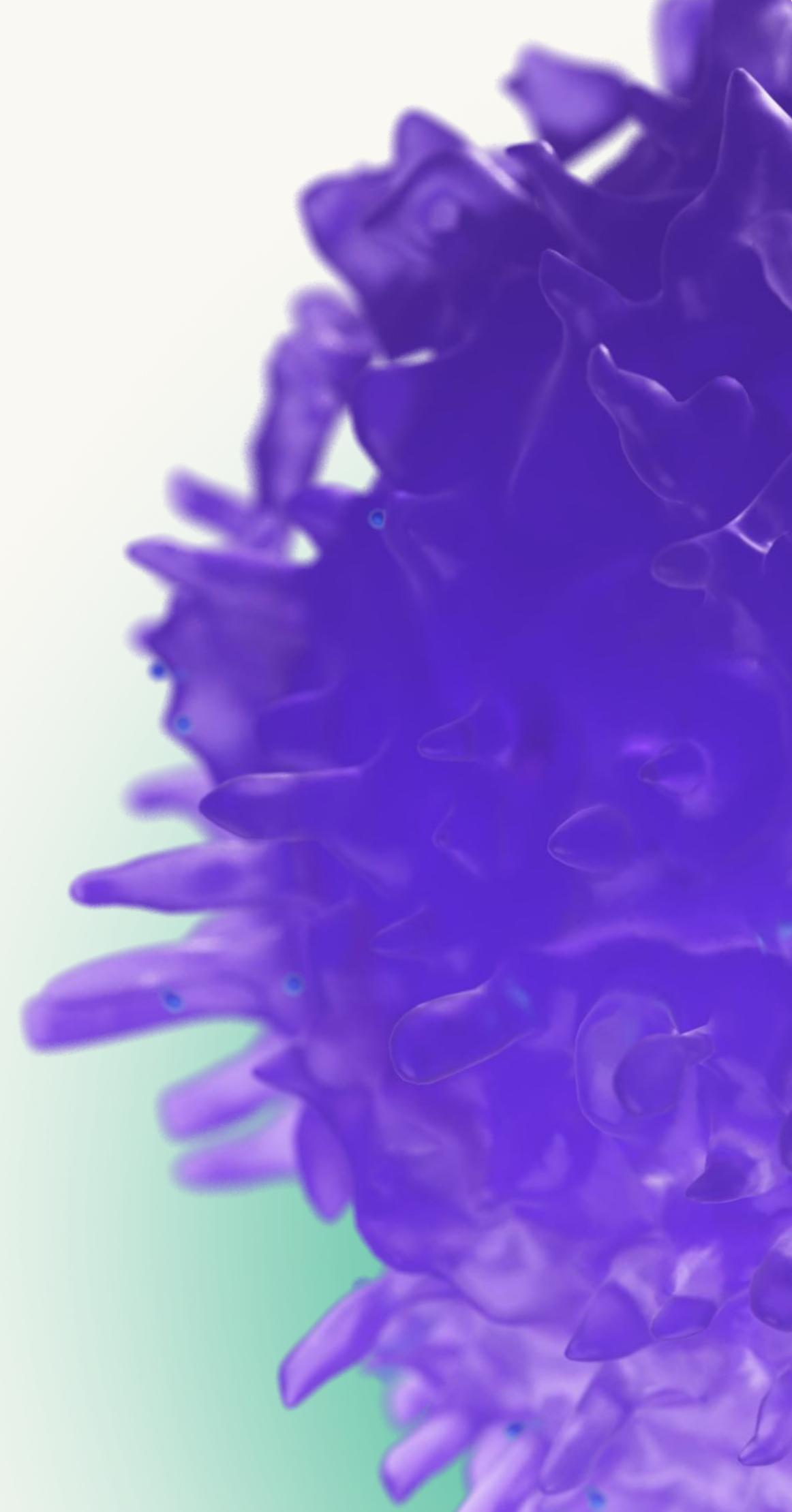




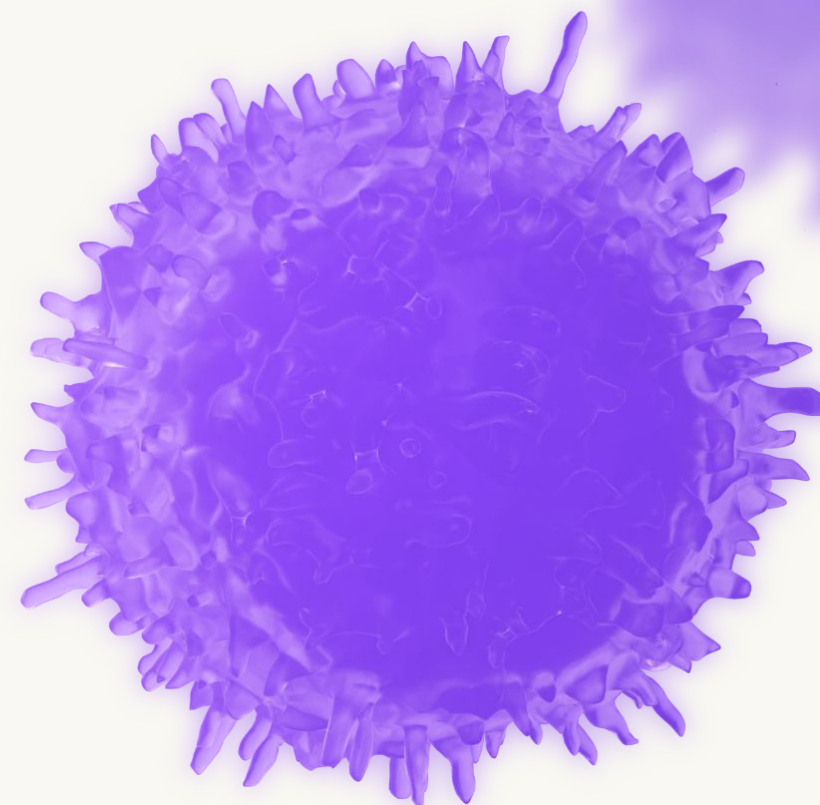
Environmental, Social and Governance Report

Lyell Immunopharma ——— FY 2023



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A Letter From Lynn Seely, M.D.

I am pleased to highlight the progress we've made this year in our Environmental, Social, and Governance (ESG) initiatives. While we work with a sense of urgency to deliver new therapies to patients with cancer, we also recognize the critical importance of maintaining our commitment to corporate responsibility. At Lyell, we focus on applying our novel science to deliver potentially better therapeutic options to patients with cancer. Our commitment to social responsibility is deeply ingrained in our culture and we believe it will help us achieve our goal of helping patients.

Our goal is to give people the gift of time. We believe cell therapy has the potential to transform the way cancer is treated and we work together as a united and inclusive community to achieve our goals. Our science and the product candidates in our pipeline build upon the innovations in cell therapy that enhance the body's natural cancer-fighting T cells. Cell therapies have delivered long-lasting and sometimes curative results for patients with late-stage blood cancers. At Lyell, our goal is to realize the potential of cell therapy for patients with solid tumors, which represent 90% of all cancer deaths.

While pursuing our mission, we also want Lyell to be a great place to work and to achieve this we focus on promoting a culture that recognizes and values the unique perspectives and talents that each individual brings to our company. We believe in fostering a culture where a diverse group of employees can thrive in a welcoming and high-performing environment. Our core values of science, respect, collaboration and courage guide our efforts.

We also recognize that our success is linked to the well-being of the communities in which we operate. We are committed to making a positive impact not only for patients, but also our communities and in 2023 we made strides in this regard by extending our volunteer efforts in the communities where we work.

We strive to build trust and credibility with our valued stakeholders by operating with transparency, integrity and high ethical standards. We are profoundly grateful to our employees and shareholders, physicians and clinical site teams who are on this journey with us. We remain inspired by the patients and their families who, by participating in our clinical trials, demonstrate their commitment to make a difference in the lives of those affected by cancer.

As we publish our second ESG report, we continue to embrace the many privileges and challenges that come with advancing novel science while building a strong and dynamic company. This report reflects where we are on our journey of integrating ESG activities over the long term while keeping our goal of improving patient outcomes at the heart of all that we do.



Lynn Seely, M.D.

President & Chief Executive Officer

Environmental, Social and Governance (ESG)

2023 Highlights

Mission – Lyell’s mission is to realize the potential of cell therapy and transform the treatment of solid tumors.

Team – We recruit and nurture inclusive teams that represent a diversity of backgrounds, views, ethnicities, and genders. In 2023, 49% of employees at Lyell identify as women and 47% of leadership positions were held by women.

Diversity, Belonging, Equity & Inclusion – We further strengthened and expanded our Diversity, Belonging, Equity and Inclusion (DBIE) task force that partners cross-functionally to develop and execute Lyell’s DBIE roadmap and amplify employee perspectives.

Core Values – Our culture is built on the foundation of our core values of science, respect, collaboration and courage. We work to meaningfully embed our core values into our culture and bring them to life in our day-to-day experience through multiple channels, including our monthly “Best View” recognition program.

Talent Philosophy – We introduced a comprehensive Talent Philosophy and a pay for performance model providing an opportunity to give greater rewards for exceptional performance.

Corporate Governance – 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, and 75% of Lyell’s directors are independent.

Quality – Oversight of quality assurance and compliance matters was added to the charter of our Nominating and Corporate Governance Committee in order to ensure that these important functions have board oversight.



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 in cancer: 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 to develop new therapies with potentially improved and durable clinical benefits.

We currently have two programs in clinical development for patients, including a chimeric antigen receptor T-cell (CAR T) program for patients with relapsed or refractory triple-negative breast cancer or non-small cell lung cancer (NSCLC), and a tumor infiltrating lymphocyte (TIL) 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.

“We embrace the many privileges and challenges that come with advancing novel science while building a strong and dynamic company.”

Lynn Seely, M.D., President & Chief Executive Officer

ESG at Lyell

In order to achieve our ambitious goals, we aim to build a sustainable company where our employees can thrive

We are cultivating a culture grounded in novel science and respect — for patients, our people, our community and our planet — and operate with integrity and transparency. As we continue to evolve our ESG approach, we are committed to listening to and learning from our communities and stakeholders, and we remain focused on our mission and contributing to a sustainable future for Lyell and patients.

2023 ESG Progress

Talent, Engagement and Culture

Lyellites bring their extensive experience to our aim of making a transformative difference for patients. Our people are the foundation of our strength, and our goal is to create an environment where people can do their best work.

Culture is the foundation of our framework to attract, retain, and engage talent. Great performers thrive in an environment where employees are respected, empowered, engaged and united by a shared mission and sense of purpose. Our values of Science, Respect, Collaboration, and Courage are the backbone of the way we work.

Lyell is strengthened as an organization when our employees know their voices are heard and valued, and we strive to create an environment of transparent and effective communication to maintain a dynamic and connected workplace. For this reason, we introduced our Lyell Talent Philosophy in 2023 that codifies this commitment and serves as the operating model for how we manage talent.

Our Talent Philosophy has 5 key elements:

Performance – is a constant focus of our organization; we set stretch goals and strive for exceptional outcomes to bring our innovative treatments to patients, and we differentiate compensation to recognize high performance.

Behaviors – translate our values into action, we demonstrate these behaviors as they lead to high performance and foster a workplace where Lyellites can do their best work.

Development – all Lyellites can build their skills and increase their capability; leaders guide and support growth and development for their team members.

Transparency – our leaders are accountable for ensuring individuals understand what is expected of them and know where they stand throughout the year.

Accountability – Lyellites are proud of their work and take ownership; leaders are accountable to their people and prioritize the development and growth of their team members.

Talent, Engagement and Culture

Activating our talent philosophy is the responsibility of all leaders at Lyell. We follow a structured annual performance management process that operationalizes this approach.

We also promote transparent communications through multiple internal channels that keep employees well informed and connected with the business and one another. In 2023, we increased the frequency of our All-Hands meetings to once a month. During these meetings we discuss relevant topics such as our company vision, progress against corporate goals, our scientific progress, updates in the scientific and clinical landscape, our diversity and inclusion initiatives, and specific elements of our talent philosophy, such as performance and professional development. We also carve out time to address live or anonymously pre-submitted questions. Meeting time is also used to welcome new employees and celebrate employee anniversaries. Through the monthly “Best View” awards, we recognize Lyellites whose contributions help Lyell meet its business objectives, exemplify Lyell’s core values or enhance our culture and community.

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.

Our employees take tremendous pride in Lyell’s mission and in 2023, we organized a Family Science Day as an opportunity for them to invite their family onsite to share more about their work a meaningful and educational way. This half-day event was a chance and for employee’s families to meet each other and learn about Lyell, and for children of all ages to take part in engaging hands-on science activities.

Collectively, these efforts to create a positive culture and engaging environment contribute to a voluntary attrition that is favorable compared to average benchmarks in the biotechnology industry and the geographic regions where our facilities are located.



Diversity, Belonging, Inclusion and Equity

Early in the company’s history, we formed an employee-directed task force to bring tangible, relevant examples of Diversity & Inclusion to life for all staff.

This team, called the DBIE (Diversity, Belonging, Inclusion & Equity) Task Force continues drive this effort. In 2023, we significantly expanded our DBIE Task Force, further extending the voices and perspectives that drive our DBIE approach across many levels and functions.

DBIE Vision Statement:

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.



Our DBIE Task Force has a multi-faceted mission:

- Create the framework that will enable us to drive DBIE efforts across Lyell.
- Unify our unique differences and strengths by being champions of diversity through education, information, and engagement.
- Cultivate and reinforce the importance of inclusivity in our work environment.
- Amplify Lyellites’ voices by providing a forum to be heard.

Lyell’s DBIE Task Force partners with our site teams and employee-led affinity groups, BLyell (Blacks at Lyell), PRIDE (LGBTQIA+ and allies) and South Asians at Lyell, all of which help to create a welcoming environment for our employees.

The DBIE Task Force develops and executes an annual strategic roadmap and sponsors activities that are implemented with Sponsorship from our CEO and SVP of Human Resources, and activated by participation of management as well as employees across the company. The team organizes activities throughout the year that foster increased employee awareness of our corporate behaviors, draws attention to important engagement experiences, and celebrates cultural backgrounds. These activities often include a quarterly educational speaker series highlighting how Lyell is activating diversity and inclusion in our work as a Company, as well as events that celebrate a variety of holidays and cultural traditions practiced among our community and reflecting the diversity of our employees.

We leverage several internal communication channels to keep DBIE activities and education front and center at Lyell. These include:

Slack Channel – Posts on our #dbie_community Slack channel

Weekly Newsletter – An educational “DBIE Link of the Week” featuring an article, podcast, book, or film in our weekly internal E-newsletter

Office Environment – Rotating content on the monitors across all three sites in Lyell meeting rooms that highlight monthly DBIE observances and recognizes the contributions of our employees

Diversity, Belonging, Inclusion and Equity (continued)

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. Of our full-time workforce 49.3% identify as female and at the senior and executive levels (Vice President and above), 47% of positions are held by females.

In considering potential job candidates, we believe it is important to take into account the full breadth of diversity, including personal factors such as race, ethnicity, sexual orientation, gender identity, gender expression, age, education and cultural background, as well as professional characteristics. To further advance the diversity of Lyell's workforce, we aim to generate diverse candidate pools. When we search for candidates internally and engage third-party search firms, we value diverse candidates who meet the applicable business and search criteria.

Average Salary - This graph highlights that the average salary of men and women at Lyell is generally the same. We base components of compensation on market and benchmark data, aiming to pay all employees equitably, taking into account factors such as role, internal equity, job location, relevant experience, and individual, department and company performance.



Employee Well-Being and Safety

Lyell is deeply committed to health and safety, and this extends to the health and well-being of our employees. Promoting a culture of safety is a fundamental aspect of our philosophy and our Environment, Health, and Safety (EHS) program employs proactive risk mitigation strategies to safeguard our workforce. Our approach is wide-ranging, with a focus on fostering a culture that places employee safety at the forefront. Our goal is to exceed industry standards, providing a secure and healthy environment for all employees.

Elements of our Comprehensive Program Include:

Behavior-Based Safety Reporting – Our behavior-based safety submission program (SAFE) encourages employees to report both safe and unsafe behaviors or conditions. This initiative is supported at both the site and corporate levels, with a safety oversight committee monitoring policy consistency and effectiveness across each of our locations. Site safety committees review submissions monthly, promptly escalating and addressing any concerns.

Safety Training Integration – We require and enforce comprehensive safety training for employees in relevant roles, ensuring everyone is equipped with the knowledge necessary for their safety and that of their colleagues.

Our collective efforts have culminated in an excellent safety record to date: In 2023, we achieved zero recordable incidents. This success is largely attributed to our behavioral observation system, which proactively identifies and mitigates risks before they escalate.

Lyell's 4-year average total recordable incident rate, the Occupational Safety and Health Administration measure of workplace safety, is 0.4, which is below the reported Total Recordable Incident Rate for both research and pharmaceutical manufacturing industries.

Task-Based Safety Programs – We've developed a suite of safety programs focused on specific tasks, aimed at minimizing accidents and exposure to hazards.

Visual Safety – Our approach is reinforced by clear visual indicators throughout our labs, office and manufacturing sites, highlighting potential hazards and the mandatory personal protective equipment needed to mitigate these risks.

Ergonomic Support – We provide our employees with ergonomic training and equipment, underlining our commitment to their health and well-being.



Employee Well-Being and Safety (continued)

Our commitment to employee health extends beyond safety to include employee well-being. We offer a broad range of benefits to support our employees while at the workplace and outside of work. Our comprehensive package of compensation and benefits includes competitive compensation, short and long-term incentives, an Employee Stock Purchase Program (ESPP), comprehensive medical, dental and vision health plans, and generous paid time off to help Lyellites maintain balance in their lives. Lyell also provides paid parental and family leave to care for an immediate family member with a serious health condition. In addition, Lyellites are provided with several programs and benefits to support employee well-being.



Programs and Benefits

401k – 401k Retirement savings plan with a company matching program to support long-term wealth in retirement for our employees.

Financial Wellness Support – A partnership with UBS provides employees with Financial Wellness support including a digital platform to track expenses and savings, access to financial coaches and planning for long-term financial management.

Organized Hybrid – While many Lyellites work in roles that require being onsite four to five days per week, we have an organized hybrid approach to build community while capturing the benefits of both onsite and remote 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.

Sponsored Lunch – Weekly Lyell-sponsored lunch programs, often centered around a theme or activity, are organized by our site engagement teams. Examples include Lunar New Year, Black History Month, Women’s History Month, LGBTQ+ Pride month, Hispanic Heritage Month and American Indian Heritage Month where we highlight local minority owned restaurants, Holi, Pi Day and March Madness.

Employee Wellness Initiatives – We believe 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. 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 corresponding benefits (e.g., “Holiday Stress Management” and “Musculoskeletal Health Awareness”). We also offer Wellness Coach, which provides access for employees and their families to live and on-demand classes, as well as personal and team coaching sessions on a variety of wellness topics, from mental health to nutrition to sleep to finances.

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.

Community Engagement

Lyell believes it is important to give back to the community and actively participates in multiple community events in each of its locations.

In 2023 Lyellites participated in National Volunteer Month by directly volunteering with several local nonprofit organizations including food banks, blood banks and organizations that provide support for hospitalized children and provide basic household items such as diapers for those in need.

Lyellites also organize an annual food drive in each of our locations to support local nonprofits that support our communities.

“We are committed to making a positive impact not only for patients, but also our communities”

Lynn Seely, M.D., President & Chief Executive Officer



Corporate Governance

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 board members and maintains the integrity of the company.

Lyell's Board of Directors consists of eight (8) 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. Although the guidelines 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 MD and the lead independent director, Catherine Friedman oversee the Board's activities, including those of four standing committees: audit, compensation, nominating and governance and science, medicine, technology and manufacturing.

Responsibility for ESG matters includes Lyell's Board of Directors. In June 2022, the charter for our Nominating and Corporate Governance Committee was updated to include oversight of ESG matters and was further enhanced in December 2023 to include material ESG trends and long- and short-term impacts on Lyell.

Board of Directors



Rick Klausner, M.D.
Founder & Board Chair



Lynn Seely, M.D.
President & Chief Executive Officer



Hans Bishop
Director



Otis Brawley, M.D.
Director



Catherine Friedman
Lead Independent Director



Elizabeth Nabel, M.D.
Director



Robert Nelsen
Director



William Rieflin
Director

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 ("[the Code](#)") and our employees are regularly trained on the Code. Specific topics covered in the Code include: ethical conduct, diversity, equity, inclusion and anti-harassment, insider 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.

In December 2023, the charter for our Nominating and Corporate Governance Committee was further updated to include oversight of quality assurance and compliance matters, with the committee authorized to report any issue it deems appropriate to the full Board of Directors and to take any action it may determine to be necessary or advisable.

Reporting Resources and Non-Retaliation - If someone at Lyell has a complaint regarding a possible violation of law or policy, we encourage those concerns to be raised to any manager, HR or our Chief Business Officer but also offer a 24/7 whistleblower hotline managed by a third party to allow for anonymous reporting. All reports are also forwarded to the Chair of the Board Audit Committee. Lyellites are encouraged to report possible violations without fear of any form of retaliation and this is reinforced annually through training on our Code of Business Conduct and Ethics.



Clinical Trials

We care deeply about the safety of patients participating in our clinical trials and follow United States Food and Drug Administration and institutional review board approval procedures and guidance as required by laws and regulations.

We protect patient safety by carefully designing our clinical trial protocols, maintaining collaborative relationships with physicians whose patients participate in our clinical trials, 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.

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Lynn Seely, M.D., President & Chief Executive Officer



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 Chief Data 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. We have also recently updated our incident response plan to ensure compliance with recently adopted cybersecurity rules of the Securities and Exchange Commission.



Data Security Capabilities

Proactive – We believe security 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 trained, cross-functional Incident Response Team is fully prepared to manage security incidents. We have also implemented and maintain various technical, physical and organizational measures designed to manage and mitigate material risks from cybersecurity threats, including, for example, an incident response plan, disaster recovery and business continuity plans, and internal and external audits to assess our exposure to cybersecurity threats, compliance with risk mitigation procedures and effectiveness of relevant controls.

Environmental Impact

As a clinical-stage biotechnology company, we understand the 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 Commitment to Reducing Waste

Paperless Manufacturing – Our LyFE manufacturing center integrates advanced data and analytics approaches to enable a paperless manufacturing process.

Hazard Waste Management – All hazardous wastes are managed in accordance with all rules and regulations and the processes are chosen for their lower impact to ground disposal or waste sites.

Emissions – 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.

Reducing Waste – 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.

Recycling – We have a broad recycling program, including for electronics and batteries.

Continuous Improvement – Our LyFE Manufacturing Center partnered with a local University to undergo an energy assessment to look for opportunities to improve our energy efficiency.



About this Report

This 2023 ESG progress report represents Lyell's second 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 are included in our Annual Report on Form 10-K for the years 2021 through 2023. The contents in this 2023 ESG progress report complement the disclosures outlined in those annual reports.