



# 2019 Corporate Responsibility Report

Delivering Innovation for  
Major Medical Needs

Prepared October 06, 2020

Ligand<sup>®</sup>

# Message from our CEO

*“At Ligand, we seek to be good citizens of the communities where we do business. By conducting ourselves with the highest ethical standards and by being environmentally responsible, we positively contribute to their health and quality of life. I am pleased to share in this report an update on the work our employees are doing to advance the human health, to help our communities, to protect the environment and to continue growing our business. We welcome your support on this journey.”*

—John Higgins, Chief Executive Officer of Ligand Pharmaceuticals

# Ligand: Innovation Driving Value



**Providing technology to make drugs possible. An integral partner to major companies in the pharma industry**

**Delivering outstanding service to partners. Sharing in their scientific and financial success to drive our value**

**Highly experienced, scientifically focused. Diverse Board committed to strong culture and operational excellence**

# The Ligand Model

## *The Balance in Our Business*

<b>What We Do</b>	<b>What Our Partners Do</b>
<b>Conduct early research and development</b>	<b>Decide which indications to pursue</b>
<b>Provide tools that help discover new medicines, lower cost to manufacture or help make medicines safer or more effective</b>	<b>Design studies, manage regulatory work</b>
<b>License data and patents</b>	<b>Price drugs and secure reimbursement</b>
<b>Acquire new technologies and assets</b>	<b>Market drugs</b>
<b>Provide superior support to customers in the medical research industry</b>	<b>Fund development &amp; commercialization</b>

# 2020 Environmental Update

- **Hazardous work activities:**
  - We finalized programs to minimize workplace hazards and hold regular inspections
- **Environmental impact:**
  - We implemented green initiatives that reduce our overall carbon footprint, including fuel-efficient transportation incentives, online conferencing solutions to reduce travel, recycling and disposal programs for toner, battery and electronic waste, and low-voltage lighting
- **Waste and surplus material management:**
  - Our employees, encouraged through company messaging, are very diligent about recycling
  - We donated surplus equipment and materials obtained through our acquisitions to institutions of higher education
- **Biological safety:**
  - We finalized safety programs and hold regular safety meetings and inspections
  - We continuously look at our procedures to reduce and minimize any potential harmful effects of biologics involved in our work

# 2020 Social Update

- Risk management in providing and using work equipment in a safe and ergonomic manner:
  - We provide employees with ergonomic task chairs, workstations, keyboards, along with desk and monitor risers
- Safe workplace:
  - Our workplaces meet current construction and environmental health & safety codes and are equipped with first-aid supplies
  - We provide our laboratory workers with all necessary Personal Protective Equipment (PPE)
- Contractor safety:
  - We make our contractors aware of any safety issues and provide them with PPE, if necessary

# 2020 Social Update

- Diversity and inclusion:
  - We have a policy to make all employment decisions without regard to or consideration of an individual's race, religion/religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition (as defined by statute), genetic information, marital status, sex, gender (including pregnancy, childbirth, breastfeeding or related medical conditions), age, citizenship, military/veteran status, sexual orientation, gender identity, gender expression or any other basis protected by any federal, state or local law
  - It is every employee's responsibility to ensure that discrimination or harassment on any of these bases does not occur in the workplace, during working hours or at any off-site company business or social functions
- Charitable donations and employee engagement:
  - We encourage our employees to be charitable and to support local, national and international 501(c)(3) organizations by providing a company match to employee charitable cash contributions
  - We support employee involvement in local community service by offering paid time off

# 2020 Governance Update

- Governance, compliance and reporting arrangements:
  - We created a new privacy incidence hotline to allow anyone to anonymously report concerns regarding our privacy policy, which is available on our website
  - Our Code of Ethics is publicly available and includes policies to maintain compliance with anti-corruption laws
  - We engaged ESG consultants to assist with reporting, resulting in the publication of our first ESG report
  - We assigned oversight responsibility for Ligand’s implementation of our ESG strategy to our Board of Directors

# 2020 Governance Update

- **Audit update:**
  - We reviewed and provided additional employee training on cybersecurity policies, and conducted risk assessment of working remotely due to the COVID-19 pandemic
  - We maintain a whistleblower hotline, and any reports are reviewed by our Board’s audit committee and are investigated by the company
  - On an ongoing basis, we are reviewing the potential business impact arising out of the COVID-19 pandemic
- **Shareholder engagement:**
  - During 2019 our management team participated in six Wall Street investor conferences
  - Our full management team hosted an Analyst Day event in February
  - We gained coverage from one additional sell-side research analyst
  - During 2019 our management team participated in more than 200 investor meetings, both in-person and via conference calls



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