Acting responsibly

Hikma Sustainability Report 2023

© Hikma Pharmaceuticals PLC

Who we are

Hikma puts better health within reach, every day. By creating high-quality products and making them accessible to those who need them, we are helping to shape a healthier world that enriches all our communities.

157

Launches across our markets

Read more about how we're advancing health and wellbeing

15%

Reduction achieved in our Scope 1 and 2 emissions since the 2020 base year

Read more about how we're protecting the environment

35%

Committed to at least 35% women in leadership positions by 2025

Read more about how we're empowering our people

98%

of employees completed ethics and compliance training

Read more about how we're building trust through quality in everything we do

Sustainability at Hikma 3

A message from our CEO 4
What we do 6
Our approach to sustainability 7

Our Focus areas 9

Advancing health and wellbeing 10
Access to medicines 10
Corporate social responsibility 16
Empowering our people 20
Learning and development 22
Ensuring employee health and safety 23
Supporting diversity, equity and inclusion 23
Protecting the environment 25
Our Scope 1 and 2 greenhouse gas emissions 26
Our Scope 3 greenhouse gas emissions 27
Sustainable supply chain 27
Water and waste management 27
Building trust through quality in everything we do 28
Operating responsibly and ethically 29
Product quality and safety 31

Data Summary 33

Sustainability data summary 2023 33
About the Data Summary 33
Advancing health and wellbeing 34
Empowering our people 35
Protecting the environment 39
Building trust through quality in everything we do 46

Appendix 47

Aligning with the United Nations Global Compact 48
Our adopted Sustainable Development Goals 49
SASB index 50
GRI index 51

Sustainability at Hikma

Being a responsible business sits at the very heart of what we do – striving to put better health within reach, every day and making a difference to people's lives.

This report summarises our approach and performance across the environmental, social and governance (ESG) focus areas that we have prioritised.

We align our reporting with sustainability frameworks including the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI), and in line with our commitments as signatories of the United Nations Global Compact (UNGC).

We are also aligned with the reporting requirements of the Task Force on Climate-related Financial Disclosures, CDP Climate Change and engage with leading sustainability ratings agencies to ensure accurate and transparent disclosure of our non-financial performance.

IN THIS SECTION

A message from our CEO 4
What we do 6
Our approach to sustainability 7

Committed to acting responsibly

Riad Mishlawi
Chief Executive Officer

Hikma was founded with a clear vision which still resonates today and is embedded in our purpose – to put better health within reach, every day. I have worked at this wonderful company for over 30 years and am passionate about this purpose and continuously impressed by the efforts of our people in delivering it.

Being a responsible organisation and advancing our sustainability agenda is integral to how we do business. Pursuing strong environmental, social and governance (ESG) programmes creates long-term value for both Hikma and our stakeholders and helps us deliver on our purpose to put better health within reach, every day as highlighted in our Acting Responsibly framework, which you can see on page 7. Since being appointed CEO in September, I have worked with the leadership team to evolve our strategy and elevate our responsibility towards patients, people, planet and communities. Our three-pillar corporate strategy (strive for excellence, diversify and differentiate, and people and responsibility) will ensure we are maximising our opportunities for profitable growth, while keeping our people and our responsibility agenda at the foundation of how we operate.

We are also increasingly aligning non-financial themes with our remuneration and incentive plans. In 2023, we had an interim emissions target linked to executive remuneration as well as water-related targets in our Long-Term Incentive Plan 2023-2025.

How we govern sustainability

The Board of Directors has overarching oversight of sustainability at Hikma and considers ESG in decision making throughout the year. In 2024, we are strengthening our ESG governance structure, with responsibility delegated to the Compliance. Responsibility, Ethics and Compliance committee of the Board, to enable more regular reviews of our progress. I see it as vital that all of our Board members are able to provide input in order to develop a sustainable and resilient Hikma, and ESG-related matters will continue to be a regular topic at full Board meetings.

The Executive Committee (EC) is responsible for aligning our sustainability agenda with our corporate strategy and ensuring we are delivering on our stated goals. Members of the EC have elements of their remuneration linked to sustainability performance, another key implementation as we increasingly align corporate strategy with responsibility.

Our sustainability framework

Beyond the EC, we have our sustainability team, which is responsible for managing our broader sustainability agenda, in close cooperation with other teams including CSR, Finance, Procurement, Operations, Engineering, Investor Relations, Legal and Risk. These teams also ensure that we align with necessary reporting requirements.

In 2023, we put two executive-led ESG committees in place, which steer and coordinate what we are doing across critical areas. Our Vice Chairman and President of MENA, sits on the Access to Medicine Committee, which is co-chaired by our Executive Vice President of Corporate Development and M&A, while our CEO and Chief People Officer co-chair the Environmental sustainability committee. Our Executive Vice President of Strategic Planning and Global Affairs sits on both of those committees and continues to lead our efforts to implement the recommendations of the Taskforce on Climate-related Financial Disclosures. She reports directly into our CEO and leads our sustainability team.

"I am delighted to present our Sustainability Report, my first as CEO, showcasing our progress and demonstrating the importance of our efforts to become more sustainable and resilient for the future.

CEO Statement *continued*

Meeting patient needs

We recognise that access to healthcare is a fundamental human right and that Hikma, as a global producer and supplier of generic medicines, has an important role to play in improving access. This is the foundation of our 'advancing health and wellbeing' pillar. Hikma's corporate strategy is at its core focused on increasing access to medicine. We do this by launching more products at competitive prices across markets, as well as expanding sales of the existing portfolio through new country entry, disease awareness or customer engagement. The products we supply have the ability to increase access and improve affordability. In some markets, we may be the first or the sole supplier of a particular product. We therefore play a hugely important role in the healthcare ecosystems where we operate, addressing national disease burdens and improving the lives of patients.

We have been running a vital medicine donation programme for many years, and this year we played a pivotal role in donating medicines to those most vulnerable, including in Sudan and Gaza.

In 2023, we worked closely with the Access to Medicine Foundation, which published its first report on the important role that generics companies play in the global healthcare system. The report showcases what is currently being done by major industry players, including Hikma, to expand access to their essential medicines in low- and middle-income countries, highlighting stand-out examples. We are raising awareness internally and externally of our access to medicine-related activities as this represents an important pillar of our Acting Responsibly framework.

Engaging our people

I am pleased with the progress we have made across each of our sustainability pillars this year. Empowering our people is central to our ability to deliver on our purpose. I have travelled to several of our sites since becoming CEO and am always impressed by the talent we have. We need to ensure we are nurturing and harnessing this talent, while also encouraging diversity, equity and inclusion. We have a new Chief People Officer who is focused on these aims and in the last year we made good progress. In 2023, we launched both the Multipliers and Blanchard leadership programmes to cultivate leadership potential among high-performing employees. The focus of the programmes is on developing leadership skills. We believe in fostering an inclusive workplace where all employees feel they belong, and as they grow and develop, so does Hikma. In 2023. we continued to build our network of Employee Resource Groups (ERGs) by strengthening our Black Employees Advisory Board and Hikma Women's Network.

Environmental sustainability

Protecting the environment is another cornerstone of our sustainability agenda. We have targets in place, and we are committed to making our operations greener and to improving our environmental performance. In 2023, we achieved a 15% reduction of our Scope 1 and 2 emissions against our 2020 baseline. In collaboration with EcoVadis, we are advancing our understanding of the sustainability maturity of our suppliers, covering around 49% of our annual spend in 2023. Throughout the year, we actively engaged with our procurement community and key suppliers to elevate awareness of our suppliers' sustainability maturity levels. Also, in 2023, we improved water management systems and identified opportunities and gaps to conserve and use water more efficiently and get ourselves ready to set water-related targets in 2024 as part of management's Long-Term Incentive Plan.

Our fourth sustainability focus area, when it comes to acting responsibly is to build trust through quality in all that we do. I believe that acting ethically, having robust compliance procedures and focusing on quality are essential to succeeding as a pharmaceutical company and I am pleased with both how we are positioned and the progress we continue to make. This year we have promoted Julie Hill to our Executive Committee, overseeing compliance and health and safety. This important appointment prioritises compliance and employee health and safety at the most senior level of management and will further enable us to have a quality mindset at the core of what we do.

Looking forward

In 2024, we will refresh our materiality assessment, including a review of double materiality in preparation for Corporate Sustainability Reporting Directive (CSRD) reporting, and stakeholder engagement insights. We will continue to strengthen our governance of ESG-related matters, continue to set sustainability-related targets to steer our organisation's efforts and continue to deliver on our commitments to build a sustainable and resilient Hikma.

Riad Mishlawi
Chief Executive Officer

What we do

We bring patients across North America, MENA and Europe a broad range of generic, specialty and branded pharmaceutical products.

Find out more about our strategy and performance in our Annual Report 2023

Our markets

North America
Our large manufacturing facilities in the United States (US) supply generic and specialty products across a broad range of therapeutic areas, including respiratory, oncology and pain management. We also have two R&D facilities to support sustainable growth.

Employees
c.2,150

MENA
We sell branded generics and in-licensed patented products across the Middle East and North Africa (MENA). We have manufacturing facilities in seven countries, including US FDA-inspected plants in Jordan and Saudi Arabia. Around 2,000 sales representatives and support staff market our brands to healthcare professionals across 17 markets.

Employees
c.5,700

Europe and Rest of World (RoW)
Our injectable manufacturing facilities in Portugal, Germany and Italy have a range of capabilities, including dedicated capacity for oncology and cephalosporins. These facilities supply injectable products to North America, MENA and a growing number of markets in Europe.

Employees
c.1,250

Global reach

Recognition of our sustainability performance

FTSE4Good Constituents since 2014	Signatory to the Modern Slavery Act
UN Global Compact Signatory to the United Nations Global Compact	Women's Empowerment Principles Signatory to the United Nations Women's Empowerment Principles
CDP Achieved a score of B (Management level) for CDP Climate Change	Sustainable Development Goals Supporters of the UN Sustainable Development Goals
MSCI ESG Ratings A Advanced to an ESG rating score of A	Sustainalytics, a Morningstar company Ranked in the 15th percentile of the Pharmaceuticals sub-industry (where first is lowest risk)

Our approach to sustainability

We are a global pharmaceutical company with a purpose to put better health within reach. Being a responsible business sits at the very heart of what we do. Our commitment is to act responsibly – for our patients, people, communities and the planet.

We have identified four areas where we can make a positive impact.

- We advance health and wellbeing
- We empower our people
- We protect the environment
- We build trust through quality in everything we do

The ESG issues that we have prioritised are those that relate most closely to our business, and we have integrated consideration of these issues into our overall strategy in order to mitigate business risks and ultimately create shared value for our business and stakeholders.

Our sustainability framework was developed through a materiality assessment conducted in 2021. The assessment took into consideration both current and expected legislative requirements and best practice. We also considered global sustainability standards such as GRI, sector-specific standards as outlined by SASB, as well as ratings frameworks including MSCI, Sustainalytics, and the FTSE4Good. The assessment also took into account investor considerations around ESG matters, and all our other key stakeholders, including patients and healthcare professionals, employees, customers, communities, government, regulators and suppliers.

Our ambition going forward is to develop a more comprehensive materiality analysis, engaging with internal and external stakeholders to establish a holistic view of non-financial issues that are material from both a financial and impact perspective. This is part of our effort to align fully with the reporting guidelines of the Corporate Sustainability Reporting Directive (CSRD).

Our Acting Responsibly framework

Advancing health and wellbeing

Protecting the environment

Empowering our people

Building trust through quality in everything we do

Governance of sustainability

Board of Directors
Overarching oversight of sustainability

Executive Committee
Leadership and alignment of sustainability with corporate strategy

Sustainability team

Global functions and site management teams

Employee networks

Executive Sponsor-led: Steer and coordination

ESG Committee: Access to Medicine

ESG Committee: Environmental Sustainability

Learn more about our Acting Responsibly Framework here

Materiality assessment and our sustainability framework *continued*

Our Acting Responsibly framework

We advance health and wellbeing

We advance health and wellbeing by using our capabilities and global reach to produce high-quality and more affordable medicines and make them accessible to people who need them. We are also committed to our local communities, supporting them through healthcare initiatives and educational programmes.

- Access to medicines
- Corporate social responsibility

Why this is important to us:
We are in the business of making medicines accessible across our geographies, including for underserved populations in lower income countries. Providing generic alternatives is at the core of our access to medicine ambition, and we have a broad product portfolio and pipeline to enable this.

Moreover, supporting the communities where we operate has been part of our culture since our company's inception. We are committed to working alongside our communities to provide better health, support education and help people in need.

We empower our people

We empower our people by shaping a diverse and inclusive culture, fostering a sense of belonging and a workplace that enables everyone to thrive.

- Employee wellbeing
- Diversity, equity and inclusion
- Recruitment, retention and promotion

Why this is important to us:
We are dedicated to fostering an environment and culture of progress and belonging for all our employees. We believe that our people are our most valuable asset, and we are committed to creating an inclusive workplace that empowers employees' growth and advancement. Our focus on employee wellbeing, health and safety and development contribute to stronger retention and the development of our future leaders.

We protect the environment

We are committed to minimising our impact on the environment. We are working to measure and manage our use of resources to ensure sustainable growth.

- Reduction of GHG emissions
- Sustainable supply chain
- Water management
- Waste management

Why this is important to us:
Manufacturing and delivering medicines globally impacts our natural environment, and we are committed to responsibly managing our use of energy, water and waste. We do this by pursuing opportunities to optimise manufacturing processes, switch to renewable energy sources and work with suppliers to drive a greener supply chain. We continually assess the impacts of climate change on our business and have aligned our assessment of related risks with the Task Force on Climate-Related Financial Disclosures (TCFD).

We are building trust through quality in everything we do

All that we do is underpinned by our commitment to the highest standards of quality. We believe in building trust by acting with integrity and upholding high ethical standards.

- Ethics and compliance
- Product quality and safety
- Corporate governance

Why this is important to us:
As a manufacturer of medicines, maintaining high quality and robust ethical standards is imperative to how we do business. Ensuring high quality standards for our facilities, processes and medicines underpins our success as an organisation. Moreover, focusing on the ethical conduct and integrity of our people contributes to our long-term success.

Our focus areas

We work to understand and prioritise ESG issues related to our business. This enables us to create shared value for our business and stakeholders.

IN THIS SECTION

Advancing health and wellbeing 10
Empowering our people 20
Protecting the environment 25
Building trust through quality in everything we do 28

Advancing health and wellbeing

Providing better healthcare and supporting our communities

Our purpose is to put better health within reach, every day, and we do this by producing high-quality medicines and making them accessible to those who need them. Access to medicine remains a cornerstone of our sustainability agenda and we are committed to improving accessibility and affordability across our geographies.

Further details on our performance measures and targets can be found in the Data Summary

Where we focus

- A patient-centric approach that prioritises accessibility and that aligns with evolving disease burdens, patient needs and outcomes
- Developing our local manufacturing capabilities to respond to patient needs, expanding our product portfolio and strengthening our presence across our markets
- Partnering to bring innovative products to local markets

Our ambitions

- Continue to align our corporate strategy and purpose in a way that drives affordability and access, addresses major national health priorities and considers the needs of underserved segments across our markets

Learn more about how we advance health and wellbeing

Access to healthcare is at the core of what we do

Access to healthcare is a fundamental human right. Our corporate strategy and purpose are centred around manufacturing high-quality medicines and making them accessible to those that need them. We do this by leveraging our R&D expertise and strong manufacturing presence, and by working with stakeholders across the healthcare ecosystem. This enables us to develop and supply medicines affordably and reliably and build strong local supply chains. In some of our markets, we are also focused on disease awareness and helping to educate our customers, ensuring that patients and healthcare professionals (HCPs) are well-informed about evolving patient needs and treatments.

We support the proliferation of generic medicines globally and recognise that advancing their accessibility for patients serves as a driver for socio-economic development and the advancement of human health.

We continue to invest in our manufacturing capabilities and capacity, as well as expand our product portfolio. These efforts not only increase availability of medicines to our customers, but drive the growth by our shareholders. We are committed to addressing barriers to access globally, and are working with industry partners, HCPs, patients, payers, governments and others to ensure our medicines are available where they are needed, and in an equitable manner.

In 2023, we worked closely with the Access to Medicine Foundation, which published its **first report** on the important role that generics companies play in the global healthcare system. The report showcases what is currently being done by major industry players, including Hikma, to expand access to essential medicines in low- and middle-income countries, highlighting stand-out examples. We are raising awareness internally and externally of all of our access to medicine-related activities as this represents an important pillar of our Acting Responsibly framework. For example, in 2023, we created a comprehensive Medicine Access Disease List Catalogue which provides information and treatment options available at Hikma for an extensive range of diseases.

For more information on our approach to access to medicine, visit our website at: **www.hikma.com/responsibility/acting-responsibly/advancing-health-and-wellbeing/**

Governance of access to medicine

Oversight for all material sustainability topics is held at the Board level, and this includes access to medicine. Access to medicine is governed by the Access to Medicine Committee which is chaired by two members of the Executive Committee, one of whom sits on the Board of Directors – the Executive Vice Chairman and President of MENA, and the EVP, Corporate Development and M&A.

The committee ensures that various functions within our business, including R&D, operations and commercial, are aligned in furthering equitable access and supporting the patient journey.

We are establishing goals and key performance indicators (KPIs) to incentivise leadership and management's approach towards access. Our focus is to establish and refine metrics that measure our progress and to develop access programmes to drive our performance. In 2024, we are strengthening our governance of sustainability related topics, as the Board will delegate more regular oversight to the Compliance, Responsibility and Ethics Committee.

> We pursue innovative products while also addressing demand for affordable, locally produced medicines.

Our approach

We operate 29 state-of-the-art manufacturing plants across MENA, the US and Europe and are continually strengthening our global presence. We do this by pursuing a differentiated approach tailored to the needs of each market. Our focus across regions is to strengthen our portfolio and pipeline, increase our manufacturing capabilities and technologies, and direct our efforts towards meeting the needs of patients and HCPs by delivering better patient outcomes.

A patient-centric approach

We pursue a customer-centric approach that focuses on addressing patient and HCP needs in a comprehensive way. We do this by anticipating patient needs, tailoring product, services and experiences to exceed expectations and engaging directly to promote awareness, education and informed decision-making. These engagements involve education, collaboration and innovative interaction programmes such as our Train the Trainers and Hands On programmes.

We also support the development of health technology assessments (HTAs) in several of our markets including in Saudi Arabia, to encourage more patient-focused healthcare funding and better-informed decision-making by regulatory bodies and payers. HTAs enable the assessment of medications based on the full spectrum of associated costs and benefits rather than just acquisition costs, which helps stakeholders within the healthcare ecosystem.

A robust and differentiated portfolio and pipeline

To ensure that our product pipeline and portfolio continues to grow, we pursue innovative products while also addressing demand for affordable, locally produced medicines.

Our pipeline selection process is designed to ensure alignment with local needs. The process begins by identifying prevalent disease burdens and therapeutic areas. This is followed by a thorough product selection process to identify differentiated molecules for inclusion in our pipeline.

This approach has contributed to an increased focus on chronic illnesses, mainly lifestyle diseases such as diabetes, cardiovascular diseases and obesity, as well as immunological diseases such as rheumatoid arthritis, multiple sclerosis (MS) and cancer.

Negotiations on pricing and reimbursement with payers are pivotal to ensure affordability for patients. We work alongside payers to develop or support patient assistance programmes and to participate in health technology assessments that ensure oversight of patient outcomes and healthcare cost savings.

In the Middle East and North Africa (MENA), we are working with regulatory bodies to support the development of regulations around value added medicines, biosimilars and orphan drugs. This will improve our ability to provide treatments for rare conditions or provide more affordable treatment options for patients.

Expanding and enhancing our manufacturing capabilities

To support our strategic objectives and our ability to effectively meet patient needs, we are undertaking investments to develop new facilities and expand existing facilities to enhance our manufacturing capabilities. In 2023, our capital expenditure totalled $169 million across our markets.

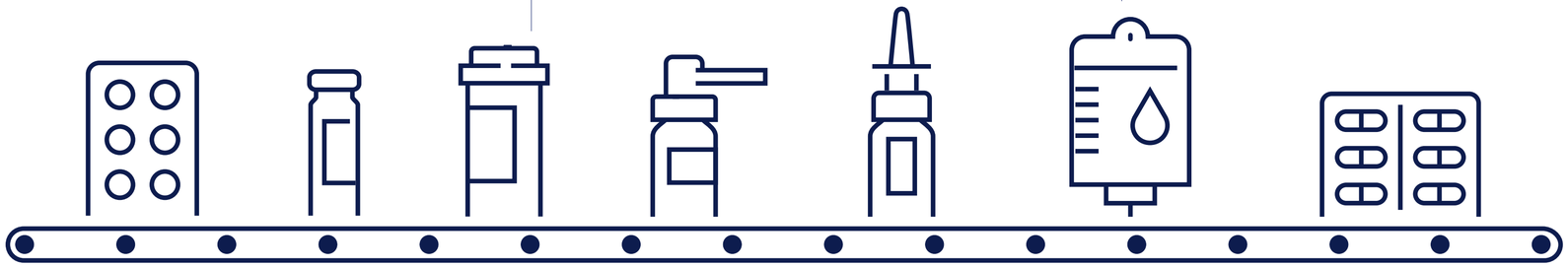
This comprised $46 million in the US on upgrades, new technologies and capacity expansion across our Cherry Hill, Dayton, and Columbus sites. In MENA, $96 million was spent strengthening and expanding manufacturing capabilities, including two ongoing greenfield Injectables production sites in Algeria and Morocco, expanding our site in Algeria and a new land purchase in Saudi Arabia. In Europe, we spent $27 million enhancing our manufacturing capabilities, including new filling lines in Portugal and Italy and adding lyophilisation capacity in Portugal. We continue to invest each year, and in 2024 expect Group capital expenditure to be in the range of $160 million to $180 million.

We invest c.6-7% of our revenue each year into our research and development (R&D) programme globally to ensure we are able to grow our portfolio and offer our customers and their patients a broad range of essential medicines. Through R&D and BD we can launch products that may not have previously been available or affordable to the patients, or that can help to address shortage situations.

Partnering to bring new products to market

We continue to establish partnerships and commercialisation agreements that facilitate the availability of new products and treatments for patients in need.

Commercialisation partnerships strengthen our growing portfolio, particularly for critical therapeutic areas such as biotechnology and oncology and enables us to provide potentially transformative solutions to patients. The partnerships and exclusive licensing agreements that we establish serve to strengthen the local availability of novel treatment options for underserved markets and population segments.



Our presence

1. MENA

We are the second largest[1] pharmaceutical company by sales in MENA and operate 20 manufacturing plants across the region, with new injectable plants being developed in Algeria and Morocco. We also manufacture certain APIs through our API manufacturing facility in Jordan. During 2023 we have continued to enhance our capabilities, enabling us to better meet local demand and ensure reliable supply medicines for chronic conditions. In some of our markets our local production capabilities may result in us being not only the sole generic on the market, but the only available product if the innovator is not supplying.

We align our regional focus and activities with prevalent disease burdens. Developing economies, ageing populations and increased life expectancy are all contributing to increases in non-communicable and chronic diseases. In MENA, cardiovascular diseases, mental disorders and cancer constitute significant disease burdens impacting populations, and our portfolio of medicines is well aligned to address these and other prevalent therapeutic areas. We are a leading supplier of oral oncology products in Egypt and Algeria where we can leverage our position as the sole local manufacturer of these important products, to improve reliability, affordability and patient outcomes.

Across MENA, our focus aligns closely with national healthcare priorities and disease burdens. Constant dialogue with authorities improves forecasting and demand planning to fulfil shortages. Our teams regularly meet with governing bodies and industry regulators in MENA to understand the unmet healthcare needs in key markets and ensure our product portfolio addresses them and we support strengthening national healthcare systems.

'Hiyat Hilweh' is a consumer-focused platform in Arabic where we target disease areas through monthly campaigns, such as hypertension, obesity and diabetes. In 2023, the platform reached 539,000 Instagram followers and 858,000 Facebook followers, with most of our followers hailing from Jordan, Iraq, Algeria, Tunisia, and Egypt.

We host scientific symposia to raise education and awareness about diseases that could lead to better detection, diagnosis, and treatment to help improve patient outcomes.

We leverage R&D expertise to adapt products to suit patient needs and specific market conditions (such as improved shelf life, or avoiding special refrigerated storage conditions).

We are also proud to say that Said Darwazah, our Executive Chairman, secured a Second Spot on Forbes' 2023 List of the Middle East's Top 100 Healthcare Leaders. This recognition serves as a testament to his exceptional and visionary leadership in the healthcare industry, as well as his commitment to making more affordable medicines accessible to the people who need them. The Middle East's Top 100 Healthcare Leaders 2023 comprises influential healthcare leaders from various fields, including pharmaceutical companies, medical facilities, technology, medical equipment and healthcare investment, all of whom have played an instrumental role in advancing the healthcare ecosystem of 11 countries across the MENA region.

2. North America

In the US, Hikma is a top-three manufacturer of generic injectable medicines[2] by volume, and a leading provider of oral solid, liquid and nasal generic medicines distributed to patients through pharmacies, hospitals, health benefits programmes and other injectables customers.

We are recognised as one of the leading US domestic producers of generic medicines, with R&D, manufacturing and distribution facilities in New Jersey and Ohio. We consistently work to enable broader patient access to generic medicines through our membership in, and support of, key trade associations and advocacy groups. According to the Association of Accessible Medicine in the US where we are members, American patients saved as much as $408 billion in 2022 through the use of generics and biosimilars.[3]

We continue to work with the Food and Drug Administration (FDA) to anticipate and address shortages of vital medicines in the US.

We are also working with representatives, policymakers and communities across the country to address opioid addiction, which has been considered a national health emergency since 2017. In 2021, there were more than 107,000 overdose deaths due to opioid overdose, with projections estimating an additional one million deaths by 2029[4]. Our product portfolio and awareness activities strengthen the ability of healthcare professionals and patients to address the opioid crisis.

3. Europe

In Europe, we manufacture sterile injectable products in Portugal, Germany and Italy which supply our global markets. Within the continent, we continue to make progress in new markets including France and Spain. In addition, we continue to expand manufacturing capabilities in order to increase capabilities to supply our global markets. In 2022, we expanded our Portugal plant, and in 2023 completed expansions to our Italy plant. We have ongoing expansion and enhancement projects across our European manufacturing footprint.

We are also proud to say that Said Darwazah, our Executive Chairman and CEO, secured a Second Spot on Forbes' 2023 List of the Middle East's Top 100 Healthcare Leaders. This recognition serves as a testament to his exceptional and visionary leadership in the healthcare industry, as well as his commitment to making more affordable medicines accessible to the people who need them.

1 Source: Based on internal analysis by Hikma using IQVIA MIDAS® Monthly value sales data for Kuwait, KSA, UAE, Jordan, Lebanon, Egypt, Tunisia, Algeria and Morocco, MAT Dec 2023, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved

2 Source: IQVIA MAT December 2023, includes all generic injectable and non-injectable products

3. Association for Accessible Medicines, The US Generic and Biosimilar Medicines Savings Report 2023, **https://accessiblemeds.org/sites/default/files/2023-09/AAM-2023-Generic-Biosimilar-Medicines-Savings-Report-web.pdf**

4 The Lancet Commissions, 'Responding to the opioid crisis in North America and beyond: recommendations of the Stanford-Lancet Commission,' 2 February 2022

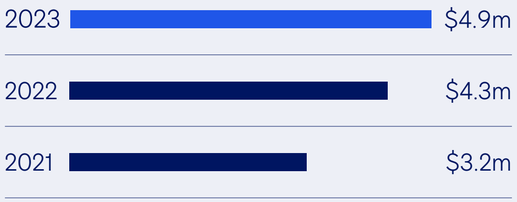
Medicine donation programme

We have an active medicine donation programme, through which we provide direct support to those people and communities that need it most. Through our programmes, we are able to provide urgent care to underserved population segments, such as low-income groups, displaced persons and those lacking sufficient medical coverage.

Some of the outreach activities and emergency responses that we undertook in 2023 include:

- Palestine: In light of the deteriorating and dire humanitarian situation in the Palestinian territories, we donated $2.7 million worth of essential medicines to patients to alleviate suffering.
- Syria: After the devastating earthquake in Syria we donated $1 million worth of anti-infectives and pain relief medications to support those affected by the disaster.
- Morocco: Following the earthquake in Morocco in 2023, we donated more than $500,000 worth of medicines to the Mohamed V Foundation for Solidarity.
- USA: Ongoing collaboration with the Global Smile Foundation has enabled thousands of critical surgeries to take place globally, including more than 160 that were performed in Ecuador in 2023 through our donations.
- This year, the value of our donations increased to $4.9m. Since 2021, our medicine donation programme has grown by 53%.

Medicine donations
(COGS) $m



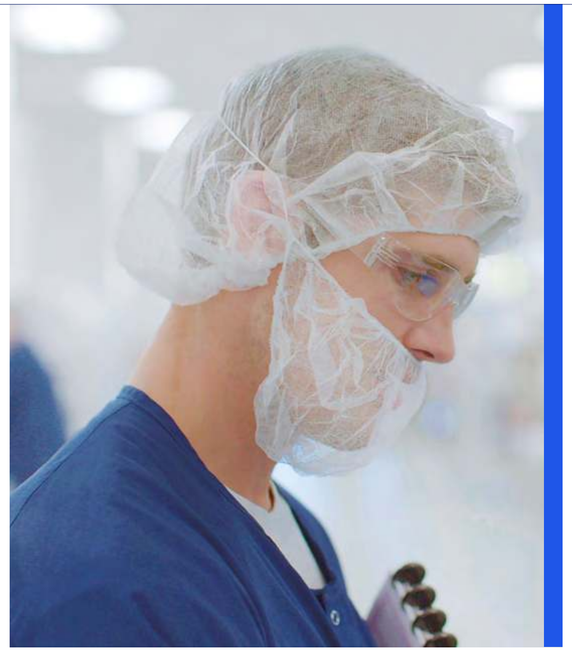
Publications and research on patient safety

We published the results of our observational clinical study on our in-licensed Rheumatoid Arthritis (RA) Biosimilar Remsima® (Biosimilar Infliximab, Celltrion) in the peer-reviewed International Journal of Clinical Practice.

Remsima® is the world's first biosimilar monoclonal antibody developed by Celltrion in Korea and the first biosimilar approved in Jordan in 2014. It is commercialised by Hikma Pharmaceuticals in multiple countries across the MENA region, where access to biological medications is challenging due to their high cost. The study was motivated by limited evidence of the safety and effectiveness of the medicine in the MENA region. Thus, this study aimed to evaluate the safety and effectiveness of IFX biosimilar in active rheumatoid arthritis (RA) patients in MENA specifically.

The multi-centre study showed that Remsima® was well tolerated and effective in managing RA patients. The results are expected to provide a piece of evidence supporting the cost-effective decisions for Infliximab biosimilar medical practice in the MENA region. The study is unique in providing the first real-life evidence from Jordanian medical centres on the safety and effectiveness of Remsima® among RA patients through a prospective study, where each patient conducted approximately eleven clinic visits during a follow-up monitoring period of 34 weeks after commencing Remsima® treatment.

Hikma is proud to be able to provide this important drug to patients in the MENA region, who might not otherwise have access to this advanced RA treatment.

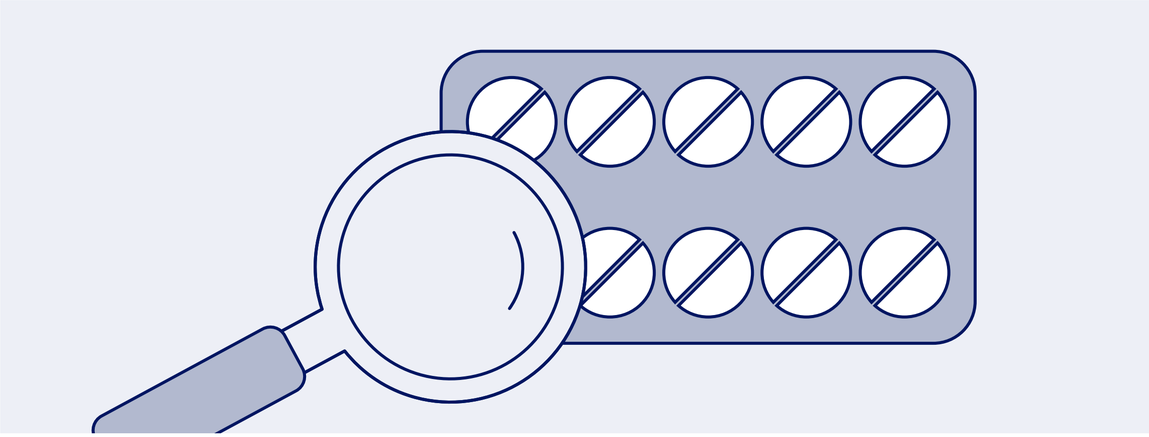


Prioritising product safety and security through traceability

In 2023, we achieved full alignment with the requirements of the Drug Quality and Security Act (DQSA) and other serialisation and traceability legislation by implementing interoperable, electronic tracing of our products at the package level to identify and trace medicines as they are distributed globally. This alignment enhances protection for consumers from exposure to drugs that may be counterfeit, stolen, contaminated, or otherwise harmful and will also improve detection and removal of potentially dangerous drugs from the drug supply chain to protect patients.

Serialisation, using unique numbers or codes to identify and track products, enables those products to be verified within the supply chain or at the point of dispensation. Patient safety and product security are central to how we do business, and as such we developed information management systems to enable hospitals or other stakeholders to reduce the occurrence of adverse events and thereby improve the quality of care and outcomes for patients.

Completion of this project highlights our effort to embed product security throughout our production and supply activities. This and other anti-counterfeiting measures on our packaging and products exceed compliance requirements related to serialisation and traceability legislations introduced by health authorities internationally.



Addressing the opioid medical emergency in the US

We continue to support communities across the US by providing medicines that help people recover from opioid use disorder.

In 2023, we donated more than 375,000 doses of KLOXXADO® in the US, directed to patients, healthcare providers, first responders, harm reduction groups and others. We also expanded our addiction therapy portfolio with the launch of Naloxone Hydrochloride Injection USP, in prefilled syringe form.

Other actions we have taken throughout the year include:

- Strengthening our partnership with Remedy Alliance by providing a private label, discounted naloxone injectable medicine specifically for the harm reduction community.
- Ensuring widespread access to KLOXXADO® by providing a Co-Pay Assistance Program for eligible individuals, further increasing access and decreasing out-of-pocket costs.
- Partnering with State Government and Community Programs to expand access to our naloxone portfolio and continuing to provide generic medications for the treatment of substance use disorder to patients and healthcare providers.

375,000+

doses of KLOXXADO® donated in the US

Hikma Cancer Network

In 2023, we hosted our 5th annual MENA Cancer Forum, the Hikma Cancer Network, in collaboration with the MD Anderson Cancer Center. This forum brings together leading regional experts in the field of hematology and oncology from all over the world to present keynote speeches and address updates in clinical practice and cutting-edge cancer research. This collaboration reinforces our commitment to continuous medical education and enables us to fulfil our obligation to patients and the communities in which we operate.

This year, 170 key opinion leaders joined our conference from across the MENA region, where they had the opportunity to network with leading global experts, ask questions and share experiences, which they can take back to their patients to help in their treatment journey in the fight against cancer.

170

key opinion leaders joined the Hikma Cancer Network from across the MENA region

Corporate Social Responsibility

Community engagement lies at the heart of our sustainability agenda. Across our geographies, we collaborate with our partners and dedicated employee volunteers to create a positive impact within our communities.

Learn more about our impact
Hikma CSR impact 2023

Further details on our performance measures and targets can be found in the Data Summary

Where we focus

Providing better health:
We work with our partners and employee volunteers to organise campaigns that impact the healthcare sector and to respond to urgent patient needs through in-kind medicine donations

Supporting education:
We recognise the role of education in driving social development and wellbeing, and as such, we work with universities, schools and organisations within our community to provide better learning opportunities

Helping people in need:
We prioritise aid and support to those less fortunate such as low-income groups, displaced persons, refugees, and those responding to urgent crises

Our ambitions

- Continue to meaningfully impact our communities through engagement across our focus areas
- Expand community volunteering opportunities for employees across our locations
- Establish impactful partnerships that improve healthcare and education in our communities

Our 2023 performance highlights

$2.2m
in sponsorships and monetary donations

Providing better health

Donated
$4.9m
worth of medicines to patients across the globe

Provided
29,000
women with screening exams for breast cancer

Supporting education

Supported
20,500
students through our financial contributions

Granted
110
scholarships to students through community partnerships

Helping people in need

Invested
$110K
in local community projects to strengthen infrastructure

Donated
177,000
food packages and meals to families in need

Our focus areas in action

The following pages set out examples of our activities throughout 2023 to support our three areas of focus.

Providing better health

Why this is important to us

Our purpose is to put better health within reach, every day, by creating high-quality products and making them accessible to those who need them. As improving health is at the core of what we do, a major focus of our community engagement activities is directed towards this mission.

Mobile health clinics with Arabian Medical Relief (AMR)

We continue to support the AMR in their use of a mobile health clinic in Jordan. The clinics, which operate in Amman, Mafraq and Balqa, helped to provide free primary healthcare services to around 3,500 patients. The range of healthcare services offered included family medicine, gynacology, ophthalmology, paediatrics, nutrition, dentistry, breast cancer screenings, counselling and medical laboratory support.

3,500

patients provided with free primary healthcare services

Raising health awareness for children across MENA through our partnership with Habaybna

Habaybna is an Arabic-based online learning hub that specialises in developing content for people with learning disabilities.

In 2023, we partnered with Habaybna to sponsor the production of more than 300 videos focused on improving healthcare treatments and habits for children with special needs or facing developmental challenges. These videos were subsequently published and have reached more than 700,000 views in total.

700K

people reached through educational videos on child healthcare

Continuing support for the Healthy Schools Programme with the Royal Health Awareness Society (RHAS)

Since 2018, we have supported RHAS in their community health initiatives, particularly their Healthy Schools Programme. The programme has grown to include 17 schools in Jordan, benefiting more than 11,000 students every year. The programme encourages student awareness in areas including nutrition, preventative health and mental health.

In 2021, RHAS also established its Mental Health Programme, which aims to improve teachers' understanding of the psychological development of children in order to address early stages of mental health challenges among youth. This programme impacted almost 4,000 students in 2023.

15,000

students impacted every year across programmes

Raising breast cancer awareness for our employees

Every year, we organise breast cancer awareness campaigns across our locations, working with employees and local organisations to provide education, support and medical screenings to hundreds of women. Globally, we donated more than $80,000 to support organisations that address breast cancer.

$80K

donated globally to support organisations that address breast cancer

Our focus areas in action

Supporting education

Why this is important to us

We consider education to be an enabler for sustainable development and prosperity. Improving the quality and access to education was a passion of our late founder, Samih Darwazah, and we continue his legacy today through programmes and partnerships that strengthen education.

Providing student scholarships through our partnership with the United Nations High Commissioner for Refugees (UNHCR)

Through our partnership with the United Nations Refugee Agency's (UNHCR) Albert Einstein German Academic Refugee Initiative (DAFI), we provide scholarships to 40 displaced students residing in Algeria, Egypt and Jordan.

Refugees often face barriers to receiving quality education and securing employment, and our work with UNHCR aims to help displaced students to overcome barriers to learning and facilitate their employability.

Since its inception in 1992, the DAFI programme has extended scholarships to more than 24,000 displaced students globally, helping to provide them with opportunities to pursue higher education.

We completed several initiatives in 2023 to support the DAFI Programme:

- We organised site learning visits for 29 students to our manufacturing plants in Algeria, Egypt and Jordan
- We provided several successful programme participants with internship opportunities in Jordan
- We enabled the participation of DAFI students in our internal Innovation Camp platform in Jordan, which is dedicated to cultivating innovative thinking and collaborative problem-solving among our employees

40

displaced students have been provided a scholarship residing in Algeria, Egypt and Jordan

Supporting local organisations in the US to drive better education

For the second year, our Bedford, OH employees volunteered at RePlay for Kids, a non-profit organisation working to increase the availability of toys and assistive devices for children with disabilities. To support RePlay for Kids, employees volunteered to organise gifts, impacting more than 50 children.

50

children impacted from our support for RePlay for Kids

Renovation project of the Jordan University of Science and Technology

In 2022 and 2023, we financed renovation projects for the Faculty of Pharmacy at the Jordan University of Science and Technology. Our collaboration with the university helped to improve classrooms, common areas and the faculty members' hall, impacting the quality of education for the more than 500 pharmacy school students.

500

pharmacy school students impacted

Our focus areas in action

Helping people in need

Why this is important to us

Many of the countries where we operate face systemic socio-economic challenges in the form of poverty and displacement. We tailor our community engagement to address the particular and unique societal circumstances of each location and focus on helping those in most need.

Working with the Jordan Hashemite Charity Organisation to establish and operate the Charity Clothes Bank

In 2017, we established a clothing showroom in Al-Karak governorate to support Jordan's most disadvantaged communities. Recently, this showroom underwent an expansion, increasing its capacity from serving 6,000 families to 38,000 families. The impact of Al-Karak Clothing Bank has led to the involvement of 209 charitable organisations, as well as the benefit of 18 schools and 1,067 students.

In 2023, 125,500 pieces of clothing were distributed to more than 30,000 people in need throughout the year in collaboration with the Jordan Hashemite Charity Organization (JHCO) and the Charity Clothes Bank.

30,000

people in need received clothing in 2023

Serving meals to those in need in Portugal

In partnership with the Serve the City Association, Hikma prepared and served dinner for homeless and vulnerable people in our community. The dinner was served at the table—just like in a restaurant—by volunteers, whose only purpose was to create an atmosphere of sharing between all of us. This activity was conducted twice in 2023, serving 180 people throughout the year and involving 100 volunteers.

180

people benefited

50

people volunteered

Donating meals to our food bank partners in the US

We donated more than 175,000 meals in the US to our food bank partners, located in the areas close to our sites of operation. Our support continues to provide invaluable support to families that continue to be affected by rising inflation in the country.

175,000

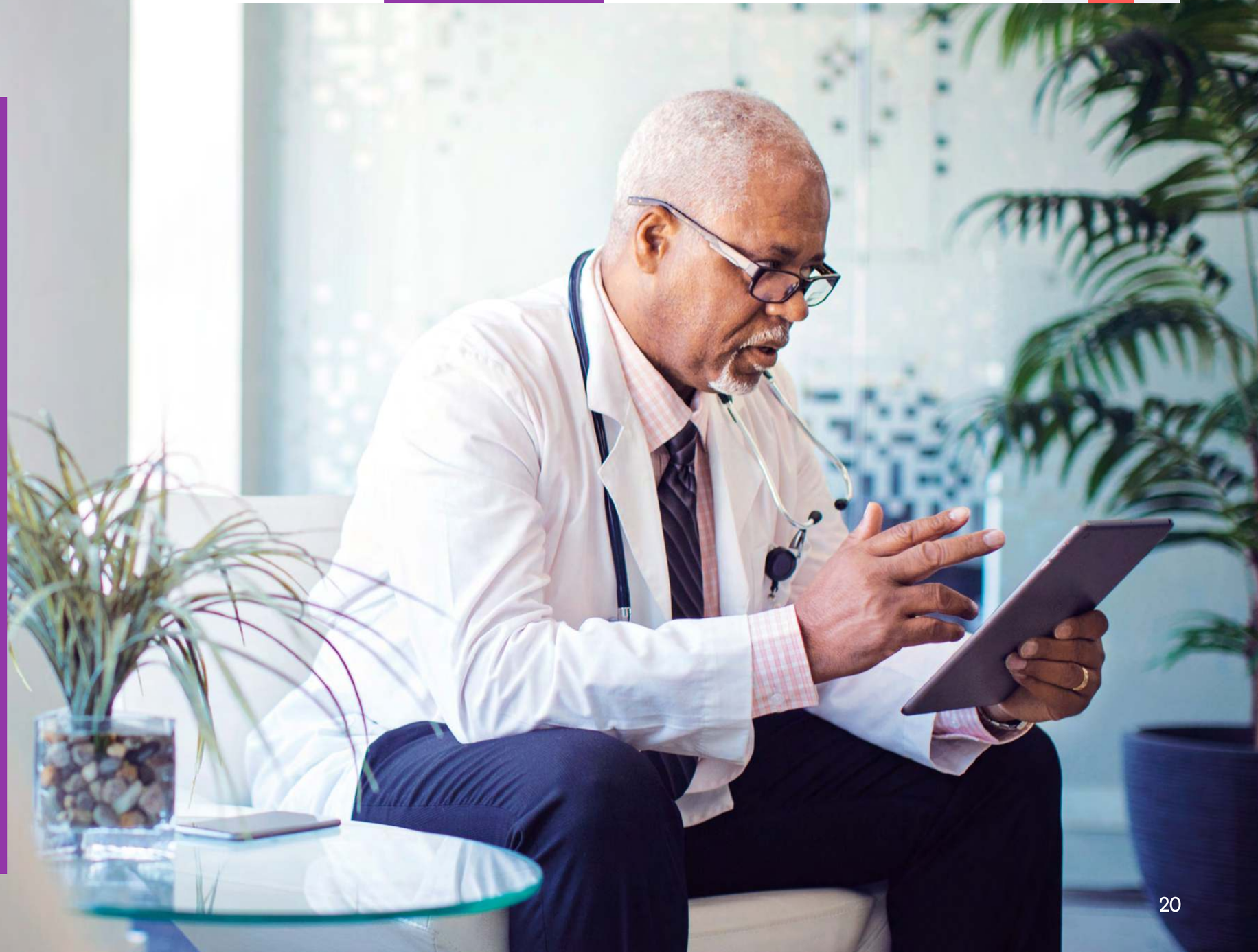
meals were donated to the US food bank

Empowering our people

Shaping an inclusive culture where everyone can thrive

We empower our people by nurturing a culture of progress and belonging that enables them to thrive. We continue to focus on retaining and recruiting high-calibre talent, enhancing the skills and potential of our employees, and taking steps to promote diversity, equity and inclusion.

Further details on our performance measures and targets can be found in the Data Summary



Empowering our people *continued*

Where we focus:

- Nurturing and developing leadership capability amongst our people through dedicated programmes
- Enhancing and expanding employee wellbeing and undertaking a more comprehensive approach to improve physical, emotional, social and financial wellbeing
- Ensuring that our business operations meet or exceed industry standards related to environmental health and safety (EHS) management

Our ambitions:

- Establishing programmes to address the findings of the People Voice survey, emphasising a holistic approach to wellbeing and an inclusive approach that addresses employees of all levels and geographies
- Fostering communication and integration between geographies to cultivate a culture of progress and belonging
- Expansion of Professional Development Curriculums: We aim to broaden the scope of our professional development curriculums, known as Hikma Academies. Our goal is to include additional functions and extend our reach to new geographical areas
- Developing processes and controls around employee-related metrics to monitor and communicate our progress in promoting employee wellbeing, safety and development

Engaging our people through the People Voice survey

We completed Hikma's 'People Voice Survey' in January 2024, achieving a response rate of 85%.

The purpose of the survey is to engage directly with our people to understand more about the employee experience and how to improve in areas including inclusivity, development and engagement.

Compared to our 2020 survey, employee engagement remained consistent at 73%, highlighting the pride that employees have in working for Hikma.

Our focus on employee wellbeing, job-skill alignment and growth opportunities contributed to the improvement of our enablement score to 69%, an increase of five percentage points.

Following the results of the survey, our plan is to:

- Develop action plans and programmes that focus on career advancement, employee recognition, and wellbeing, with the purpose of fostering a supportive and growth-oriented environment
- Adopting a bottom-up strategy that addresses the survey findings by empowering managers to spearhead improvements within their teams and proactively address employee feedback

69%

employee enablement score
(+5% from 2020)

73%

employee engagement score
(constant from 2020)

Empowering our people *continued*

Nurturing and developing future leaders

We are committed to developing our people and enhancing their leadership potential. Both the Multipliers Programme and the Blanchard Programme were established in 2023 to develop the next generation of leaders at Hikma that can inspire and empower our teams.

- Blanchard Programme: This programme focuses on helping leaders adapt their leadership style to match the development level and unique needs of their team members. By emphasising situational leadership, participants gain insights into effective communication, motivation, and mentorship. 160 leaders participated in the programme in 2023.
- Multipliers Programme: Designed for leaders, the programme equips participants with the skills to amplify the intelligence and creativity of their teams. Through interactive sessions, accredited content, and practical exercises, participants learn how to foster an environment where every team member's potential is maximised. The programme includes 360 assessments, assignments, projects, coaching, and personalised development plans. To date, approximately 99 participants have benefited from this transformative experience.

160

participants in the Blanchard Programme in 2023

99

participants in the Multipliers Programme in 2023

Employees in research and development (R&D) fields

Employees working in R&D-related functions are essential for the continued innovation and sustained growth of our company.

In 2023, we carried out a number of measures to support the development, growth and retention of employees in these critical fields. Some of the key measures implemented include:

- Focusing the Multipliers and Blanchard programmes with R&D employees (see previous section for more on these leadership programmes). The 'Multipliers' programme targets senior managers and the Blanchard programme supports frontline supervisors
- Launching of the R&D Academy at Hikma, which offers learning paths tailored to employees at all levels and offer guidance to employees as they build their skills throughout their career journey. Currently, the academy focuses on workplace skills, but we plan to expand it to include technical courses in the future

39

Employees working in R&D-related fields benefit from engagement programmes

Empowering our people *continued*

Employee health and safety

We continue to prioritise the health and safety of our people. Employee health and safety is governed at the site level, with standards and policies set by the Group. In 2023, we maintained International Organisation for Standardisation (ISO) 45001 Occupational health and safety management system certification in ten out of 13 facilities in MENA, with an aim to achieve certification in more facilities in the future.

In 2024, we appointed Julie Hill as the Senior Vice President of Corporate Quality Compliance and Health and Safety to improve how we govern health and safety and to standardise our methodology and ambitions around the issue.

Our Group Environmental Health and Safety policy statement, updated in the beginning of 2024, strengthened and harmonised our approach to ensuring the wellbeing of our employees globally.

We are continuously taking steps to improve the accuracy of health and safety-related performance metrics as well as how we govern the issue at the Group level. The processes and methodology through which we record and report on incidents, lost time and mitigation are continuously improving.

Diversity, equity and inclusion

Promoting diversity, equity and inclusion among our employees contributes to their effectiveness, creativity and innovation. We remain committed to promoting a culture of progress and belonging that provides all employees with opportunities for personal and professional growth. We believe in fostering an inclusive workplace where all employees feel they belong, and as they grow and develop, so does Hikma.

At the Board level, our Board Diversity Policy sets targets for diversity in line with the gender and ethnic diversity targets set by the Listing Rules, the FTSE Women Leaders Review and the Parker Review. In 2023, we continue to meet all targets set for gender and ethnic diversity at the Board.

At the leadership level, we acknowledge the importance of diversity and continue to adopt initiatives, where permitted under applicable local laws, in line with the voluntary target set by the FTSE Women Leaders Review, to increase the gender diversity of the senior management team (direct reports to the CEO and the senior leaders who report directly to them).

Our Remuneration Committee has integrated targets, where permitted under applicable local laws, to increase gender diversity within the senior management population into the performance measures for the Long-Term Incentive Plan and Annual Bonus Plan. The Executive Vice Chairman was set a target of increasing the number of women in MENA management positions by 9% in 2023, as the representation of women in management positions is lower in MENA than in the rest of the Group. As at 31 December 2023 the number of women in management positions in MENA had remained unchanged, however, work has been undertaken to review incumbent development plans, promotion processes and external hiring to address the imbalance going forward.

We continue to advance diversity, equity and inclusion across our operations. Most of our work around DEI is guided through our Employee Resource Groups (ERGs), including the Black Employees Advisory Board and the Hikma Women's Network.

Empowering our people *continued*

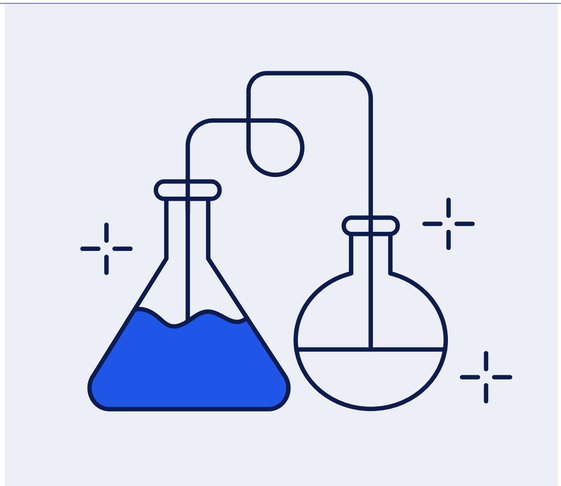
The Hikma Women's Network

The Hikma Women's Network resource group provides women and their allies, with a supportive community where women can network and offer mentorship, guidance and advice. In 2023, we have grown our Women's Network. Our 25 regional US, Europe and MENA champions organised more than 20 online and face-to-face events to motivate, inspire and help foster the growth of women as individuals and professionally.

Through the Women's Network and its Dare to Dream Big lecture series, we organise educational lectures and engagement forums with female leaders in the Company and community. Educational lectures in 2023 centred around leadership skills, the importance of reading and guidance for financial management and wellbeing.

The Black Employees Advisory Board

In the US, the Black Employees Advisory Board play a pivotal role in shaping our workplace culture and driving our diversity and inclusion initiatives. It undertakes internal and external activities geared toward inspiring black employees to achieve their fullest potential across the spectrum of professional development and employment opportunities at Hikma as well as supporting communities.



Empowering women in science

In 2023, we established the Women in Science Group (WIS), a global network of Hikma women working in Science, Technology, Engineering, Mathematics and Medicine (STEMM)-related fields with the goal of providing them support and opportunities to engage meaningfully with their communities. During the year, the WIS organised the Alchemist Lab workshop which strengthened STEMM-related skills for 20 girls between the ages of 12-17 living in rural areas in Jordan. In 2024, the aim of the WIP programme will be to organise learning and development opportunities for women from low-income backgrounds in Jordan.

Protecting the environment

Minimising our impact on the planet

We are committed to making our operations greener and to improving our environmental performance.

Further details on our performance measures and targets can be found in the Data Summary

Protecting the environment *continued*

Where we focus

- Reducing our GHG emissions and managing our energy use more efficiently
- Addressing sustainability across our supply chain
- More effectively and efficiently managing our waste and how we use and conserve water

Our ambitions

- Reduce our Scope 1 and 2 emissions by 25% by 2030, with 2020 as our base year
- Continue to improve the way we monitor water and waste; and continue to mitigate risks for our locations in water-stressed areas
- Continue accelerating supplier engagement to enhance our understanding of sustainability maturity of our suppliers

Target

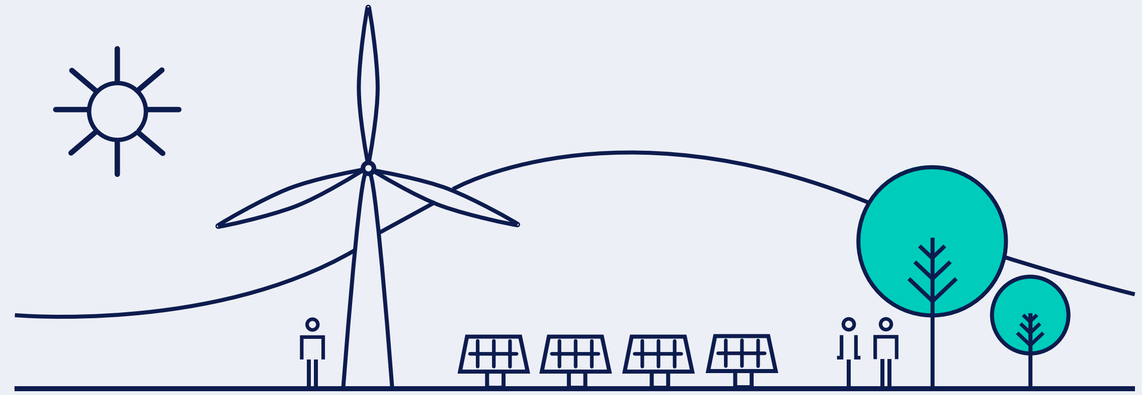
15%

Compared to our base year of 2020, we have reduced our emissions by 15%

Target	2023 Progress	Status	Our aim for 2024
By 2023, reduce Scope 1 and 2 emissions by 17% (baseline: 2020) S	Achieved a 15% reduction compared to our 2020 baseline	Partially achieved	Continue to identify opportunities to improve energy efficiency and reduce our emissions footprint
By 2023, conduct two energy audits in the MENA region S	Conducted energy audits in Jordan (APM Salt), Egypt (October 6) and JPI (Saudi Arabia)	Achieved	Continue implementation of action plans following site energy audits
By 2030, reduce our Scope 1 and Scope 2 emissions by 25% (baseline: 2020) L	Continued to invest in increasing energy efficiency, cleaner technologies and renewable energy generation, which enabled us to minimise our emissions impact while expanding our manufacturing footprint and significantly increasing production	On track	Continue to pursue energy efficiency projects at our manufacturing sites through more efficient machinery and the adoption of renewable energy options. Continue to pursue long-term green electricity procurement solutions where we operate
By 2025, identify and set water targets for all MENA sites S	Continued to identify opportunities to improve efficiency of water consumption and develop water management systems	On track	Continue to invest in technologies and practices that promote water reuse, efficiency and reduction opportunities across our sites, focusing on those located in water-stressed areas

Timeframe: L Long-term S Short-term

Status: Achieved On track Partially achieved



Our Scope 1 and 2 greenhouse gas emissions

Target

In 2021, we put in place a target to reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline. The target was developed using the absolute contraction approach and is in line with the Paris Climate Agreement's well-below 2°C scenario.

Performance

In 2023, our Scope 1 and 2 emissions (market-based) measured 123,727 tonnes of carbon dioxide equivalent (tCO_2e). Compared to our base year of 2020, we have reduced our emissions by 15%.

Aligning with the TCFD

We are aligning our internal processes and our public disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We are fully aligned to nine and partially aligned to two recommendations. More about our alignment with the TCFD is available in our Annual Report 2023, page 56.

Measures to reduce emissions

We are committed to implementing measures to improve our energy efficiency and emissions footprint. As part of this commitment, we undertake activities including sourcing green electricity in all of our European facilities. We also invest in greenifying our manufacturing process through the installation of solar panels across our facilities. In 2023, we completed a 2MW capacity solar facility in Salt, Amman that generates power for our APM Salt facility and our MENA Head Office building.

Although emissions increased by 3% between 2022 and 2023, largely due to growth in the business, we continue to invest in efficiency while pursuing long-term, feasible opportunities to reduce our emissions footprint.

Target

25%

Our emission target is to reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline

Protecting the environment *continued*

Our Scope 3 greenhouse gas emissions

Our 2023 Scope 3 emissions footprint measured 925,152 tCO_2e. We continue to refine the quality of our Scope 3 carbon calculations, which we first disclosed in 2021. As part of ongoing improvements to our emissions calculation methodology, our 2022 Scope 3 emissions have been restated to 861,341 tCO_2e. In 2023, emissions from purchased goods and services increased compared to the previous year, reflecting the significant growth in production across our businesses. The increase in business travel emissions is attributable to an increase in travel spend after COVID-19 measures were removed. For employee commuting, which we began to measure in 2022, we continue to improve our mapping and classification of spend data to measure emissions from this source.

Several categories were determined to be 'not relevant' after we conducted an analysis of Scope 3 categories. Hikma does not have sufficient upstream or downstream leased assets to constitute a relevant emissions source. Moreover, Hikma does not maintain any franchises and no corresponding emissions footprint. More information about the rationale for categories that are determined to be 'not relevant,' is available in our 2023 CDP response. For categories that are 'relevant but not yet calculated,' we aim to consider their inclusion progressively over time. We have significantly improved our CO_2 emissions calculations by further fine-tuning our classification, resulting in adjustments across greenhouse gas (GHG) emissions categories. In addition, a thorough review and modification of the mapping process was undertaken, with a deliberate focus on moving to a quantitative rather than a monetary mapping methodology.

Sustainable supply chain

We remain dedicated to addressing the most critical social and environmental sustainability concerns across our value chain and have developed policies and protocols to safeguard against violations of these concerns. Our Supplier Code of Conduct, introduced in 2022, articulates our core values and principles, defining our values and standards for ourselves, partners, and suppliers. This Code serves as the cornerstone of our ongoing efforts to fortify relationships, foster collaboration, and cultivate trust among all stakeholders, ultimately driving enhanced performance across our value chain.

The Code reinforces standards we deem essential, such as safeguarding human rights, upholding ethical conduct, combating modern slavery, and addressing environmental issues. The Code is available on our website.

In collaboration with EcoVadis, we are advancing our understanding of the sustainability maturity of our suppliers, covering close to 50% of our annual spend. Throughout the year, we actively engaged with our procurement community and key suppliers to elevate collective awareness of our suppliers' sustainability maturity levels. Our outreach extended to primary materials suppliers through various supplier engagements covering suppliers who make up around 45% of Hikma's Scope 3 footprint, allowing us to grasp their aspirations for reducing carbon footprint, transitioning to renewable energy, and enhancing energy efficiency in production.

Our objective is to further expand the screening of sustainability criteria to a greater proportion of our major spend suppliers, through further collaborating with EcoVadis as well as utilising Hikma's own sustainability questionnaire sent to selected suppliers, while concurrently monitoring Scope 3 emissions. This commitment underscores our continuous pursuit of sustainable practices and responsible business conduct throughout our supply chain.

Lifecycle assessments

During the year we conducted multiple lifecycle assessments (LCAs) for products that we manufacture in Europe. Conducting LCAs enables us to understand the environmental footprint of manufacturing specific pharmaceutical products, including from the extraction of resource, the development of active pharmaceutical ingredients (APIs), production and transportation. Enhancing our understanding of the emission footprint for specific lifecycle stages at the product-level facilitates our ability to minimise the environmental impacts of our business.

Earth Day

As part of our commitment to raise environmental awareness among our employees and protect our surrounding natural environment, we organised tree-planting and clean-up volunteering activities in the US. In New Jersey and Ohio, our people participated in planting more than 30 trees to protect the environment. This included tree-planting activities in Cuyahoga Valley National Park in Ohio, as well as planting and park clean-up activities in Camden Park in partnership with Sustainable South Jersey in New Jersey.

Water and waste management

The management of our water consumption and waste generation is central to our sustainability strategy. During 2023, we continued taking steps to improve how we monitor and manage water and waste at our sites.

As water use is an essential component of the pharmaceutical manufacturing process, particularly with regard to the development of injectable products, we prioritised water management analyses and projects, particularly in locations where water scarcity and water security issues are highest. Following the water screening exercise we conducted in 2021 to define and prioritise water and climate-related risks at our locations, we began a comprehensive effort to address and improve water management. This effort prioritised facilities based in water-stressed locations, located primarily in MENA. As such, we developed formal ambitions to identify gaps and opportunities for efficient water use in the region, and an ambition to set water-related targets for sites in Algeria, Egypt, Jordan and KSA by the first half of 2024, and for the remainder of MENA sites by the end of 2025.

You can find figures and data relating to our water and waste management in the Data Summary 2023

Building trust through quality in everything we do

Upholding ethical standards and acting with integrity

We are committed to upholding the highest ethical and product quality standards in the conduct of our global business operations.

Further details on our performance measures and targets can be found in the Data Summary

Building trust through quality in everything we do *continued*

Where we focus:

- Maintaining high ethical standards within our organisation and across our value chain
- Strengthening ethics and compliance through continuous development, training and certifications
- Upholding the principles of universal human rights and safeguarding against modern slavery practices within our organisation and with our suppliers

Our ambitions:

- Continue to review the effectiveness of our compliance programmes and alignment to international best practice expectations, including areas of anti-bribery and whistleblowing management
- Continued participation in international anti-corruption initiatives, including the Partnering Against Corruption Initiative (PACI) and the Business 20 Anti-Corruption Working Group

Operating responsibly and ethically

An important part of our culture is recognising that doing business with integrity is a shared responsibility of everyone at Hikma. As such, we are committed to upholding the highest ethical standards in all facets of our business.

Code of conduct

Our Code of Conduct (CoC) provides an overview of the legal, regulatory and ethical requirements and expectations for our employees, partners and those that we do business with. Our CoC is available in seven languages and shared with all employees. Our employees, officers and directors are trained on the CoC as part of their induction and are provided refresher training periodically. The completion rate for our Code of Conduct training in 2023 was 98%.

Our compliance programme

Our commitments to business integrity, quality, communities and ethical conduct are overseen by the Compliance, Responsibility and Ethics Committee (CREC). The Board of Directors and CREC maintain a zero-tolerance approach to bribery and corruption. Through our global programme, we ensure compliance with all relevant global and local laws, codes and regulations wherever we operate. As a publicly listed company on the London Stock Exchange (LSE), we are subject to the regulations of the UK Listing Authority. We also comply with the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act, as well as global anti-corruption standards and local anti-bribery and corruption laws.

More information on CREC and how we ensure ethical behaviour is available at: **www.hikma.com/who-we-are/codes-and-standards/**

We operate a formal third-party due diligence process for all third parties with whom we do business. This uses a set of risk evaluation criteria to place third parties into high-, medium- and low-risk categories. High-risk third parties are subject to enhanced due diligence processes. Additionally, third parties are continuously monitored to identify potential reputational and compliance risks including sanctions, adverse media coverage and political affiliations. In June 2023, our management teams decided to consolidate multiple platforms used for supplier registration, onboarding, risk and performance evaluation, sourcing, and contracting by transitioning into a single, multifunctional tool. It seamlessly integrated with our ERP system, Moody's risk data, and EcoVadis's sustainability rating tool to ensure full transparency and adherence to Hikma's risk processes. We have also updated the Conflict of Interest declaration process to ensure any potential, suspected or actual conflicts are resolved. More information about our enterprise risk management practices across our value chain is available in our **Annual Report**, page 66.

98%

completion rate for our Code of Conduct training

FTSE4good

Since 2014, we have remained constituents of the FTSE4Good Index Series. The FTSE4Good is an index of LSE-listed companies that demonstrate strong Environmental, Social and Governance (ESG) practices as measured against globally recognised standards.

The FTSE4Good evaluates companies' effectiveness in addressing issues such as human rights, anti-corruption, environmental performance, health and safety, and community engagement. Their assessments are used by a wide variety of market participants to develop responsible investment funds and other products. Our ESG rating in 2023 remains at 3.2 out of 5, with five being the maximum score.

Working in the pharmaceutical industry and making medicines that are used by millions of people every day is a privilege and a significant responsibility. This responsibility requires each of us to always adhere to the highest ethical standards, and to clearly understand our company's values, policies, and procedures. While we always strive to deliver strong business results, how we achieve those results is equally important.

3.2

Our ESG rating in 2023 remains at 3.2

Building trust through quality in everything we do *continued*

Speak up

We promote a culture that encourages employees to raise any concerns about potential violation of laws and regulations, or other behaviours or incidents that do not comply with our Code of Conduct or policies and procedures. Our Speak Up platform provides both internal and external stakeholders a resource to confidentially raise concerns about suspected misconduct. Our procedures require that all reports received via our speak up channels are investigated, as appropriate, by senior and independent employees. Substantiated violations of our Code of Conduct or other policies and procedures are addressed through our disciplinary procedures. A review has been carried out to ensure our speak up procedures remain appropriate and compliant with applicable law. The Committee has reviewed the speak up procedures and remains satisfied that the procedures in place continue to operate effectively.

Upholding the principles of human rights and safeguarding against modern slavery practices

We are committed to taking the required actions to identify, prevent and mitigate modern slavery in the form of forced or compulsory labour and human trafficking globally and across our entire business and value chain.

All our suppliers are screened as part of our due diligence processes. We do not accept any third party where there is evidence of modern slavery-related practices. This applies to new vendors as well as existing vendors as our due diligence process is continuous. All new and existing vendors have gone through our third-party risk management process. As part of our refreshed Group Procurement Policy, which was implemented during 2021, we make sure all existing and new suppliers are assessed by the RiskRate platform to indicate compliance with modern slavery protocols.

We have met the targets we set in our Modern Slavery Statement 2020, relating to providing training for our workforce. Over 98% of our employees completed annual compliance refresher training through 2023.

Supporting freedom of association and collective bargaining

We support freedom of association and collective bargaining across our organisation so our people are fairly represented and their rights are protected. Employee representation takes different forms across Hikma, depending on local laws and the needs and the priorities of our employees. Employee representation is one avenue for our employees to discuss issues and concerns with management and is often related to topics such as salary and bonuses, health and safety, and training.

98%

of our employees completed annual compliance refresher training through 2023

Product quality and safety: ensuring the safety of our patients

Our mission is fundamentally rooted in safeguarding the wellbeing and safety of our patients. We are committed to consistently gathering and assessing data regarding the safety of our products. This diligent approach allows us to proactively implement strategies to reduce risks to our patients, ensuring compliance with global pharmacovigilance regulations and standards.

Product governance
Across our markets, we implement the latest quality standards and regulatory guidelines to ensure that our patients have access to safe and effective medicines. Our global quality compliance team continuously monitors, assesses and improves our operations in line with international quality standards and current Good Manufacturing Practices (cGMPs).

Our quality control systems instruct how we manufacture, outsource and distribute our products globally. All of our marketed products (whether manufactured by Hikma or outsourced through partners) comply with cGMPs. We also implement quality oversight on our suppliers, partners and sub-licensors to ensure they comply with regulatory standards as well as Hikma requirements. Quality Agreements are in place to focus on the compliance to cGMPs and define each party's responsibilities. Risk-based cGMP audits are also conducted on suppliers by our Global Quality team and reputable third-party consultants.

Product quality is managed and maintained through local teams that are overseen centrally. We also conduct product quality risk categorisation across our products' entire lifecycle and have established policies to standardise quality processes across our locations.

We perform internal audits frequently so we can make sure required standards and procedures are always followed. Deviations from standards are investigated by qualified employees and are followed by corrective and preventative actions. We assess these actions for their efficiency at regular intervals.

Pharmacovigilance
Our people play a critical role in ensuring patient safety, bearing the responsibility to immediately report any adverse events or safety concerns linked to our products. This guarantees that all safety reports undergo quick assessment and medical review. Moreover, these reports are transmitted when necessary to the relevant regulatory authorities within the defined safety reporting timelines, ensuring compliance and upholding the highest standards of patient safety.

Our processes and procedures are globally harmonised to identify, evaluate, and communicate any changes in the risk-benefit profile of our products, ensuring the protection of patient and public health. Our multidisciplinary Drug Safety Committee reviews any safety concerns, and proactively informs regulatory authorities about any emerging safety issues. This systematic approach reflects our commitment to maintaining the highest standards of safety and efficacy of our products.

Our pharmacovigilance activities are conducted on a global scale, encompassing all our approved compounds (over 760). We regularly monitor these products throughout their lifecycle, adhering to the standards of good pharmacovigilance practice, local regulatory requirements, and the terms of agreements with our contractual partners.

To ensure our employees are well-equipped in this area, we provide both initial and ongoing training on how to report adverse events or other safety concerns. Our 2023 completion rate is 95% among staff and 96% for senior management.

95%

completion rate among staff and 96% completion rate among senior management in 2023

Building trust through quality in everything we do *continued*

To maintain compliance with global pharmacovigilance standards, we conduct regular evaluations of our worldwide pharmacovigilance compliance metrics. Additionally, we proactively monitor any deviations from the required standards, conducting comprehensive investigations to identify the root causes of any identified discrepancies. We assess all detected deviations for their impact and monitor the implementation and efficacy of actions taken to rectify any non-conformities.

Furthermore, as a key component of our pharmacovigilance audit strategy and annual audit program, we conduct internal audits. These audits encompass all processes and activities managed by our Global Pharmacovigilance Team, as well as those handled by our affiliates, third-party service providers, and distributors. This comprehensive auditing practice is integral to ensuring the efficacy and compliance of our pharmacovigilance operations.

The Pharmacovigilance-Quality Quarterly Meeting is dedicated to the review and monitoring of our pharmacovigilance compliance metrics. In this meeting, we discuss findings from ongoing compliance monitoring, pharmacovigilance audits, and inspections, along with their associated Corrective and Preventive Actions (CAPAs) and their current status. This regular review ensures continuous oversight and improvement of our pharmacovigilance practices.

Additionally, we ensure high-level oversight by presenting our pharmacovigilance compliance metrics and the status of CAPAs to the Executive Committee and Board of Directors biannually. This practice reinforces our commitment to transparency and accountability at the highest organisational levels.

In 2023, we made significant strides in enhancing our quality management practices for pharmacovigilance. We transitioned to a new quality management system for deviations, Veeva Quality Vault, and developed a comprehensive Pharmacovigilance Quality Manual. Additionally, we established the Processes and Procedures Committee, which conducted 43 Quality Management System Review Meetings, significantly contributing to the refinement of our processes. As a result of these initiatives, we introduced numerous improvements and successfully created and revised 67 Standard Operating Procedures (SOPs), further strengthening our commitment to high-quality pharmacovigilance standards.

To maintain the uninterrupted delivery of our critical pharmacovigilance functions, we have a Global Pharmacovigilance Business Continuity Plan. This plan, integral to our operational resilience, was most recently revised and tested in December 2023, ensuring our readiness to effectively manage any potential disruptions.

We undertook an initiative to create a comprehensive Medicine Access Disease List Catalogue, encompassing detailed information and a variety of treatment options available at Hikma for an extensive range of diseases. This project highlights our unwavering commitment to enhancing healthcare access, expanding treatment choices, and improving patient care. This catalogue serves as a testament to our dedication to addressing diverse healthcare needs and contributing to better health outcomes.

How we perform

In 2023, we processed over 12,500 individual case safety reports linked to our products, originating from various sources such as spontaneous reports from healthcare professionals and consumers, as well as Hikma-sponsored clinical studies. We reported more than 10,000 cases with regulatory authorities around the globe, and compiled and submitted over 930 aggregate reports for our approved compounds.

In 2023, we achieved a submission compliance rate of 98% for individual cases and 99% for aggregate reports. Additionally, we performed four audits, (two affiliate audits, one process audit, and one distributor audit). Furthermore, we were subject to four audits conducted by our contractual partners and two pharmacovigilance inspections.

Our ambitions

In our pursuit of continual improvement, our objectives for 2024 are focused on further improving efficiency and enhancing compliance and governance in the global execution of pharmacovigilance activities. This approach aims to ensure strict adherence to the standards of good pharmacovigilance practices, local regulatory requirements, and the terms of our agreements with contractual partners. By achieving these goals, we intend to further streamline the processes that protect patients and reinforce our commitment to maintaining high standards of product governance.

Sustainability data summary 2023

About the Data Summary

The Data Summary contains figures, metrics and trends related to sustainability and ESG. It is intended to assist navigation between qualitative and quantitative aspects of our sustainability performance.

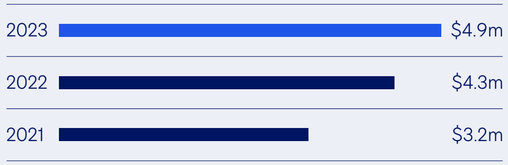
IN THIS SECTION

About the Data Summary 33
Advancing health and wellbeing 34
Empowering our people 35
Protecting the environment 39
Building trust through quality in everything we do 46

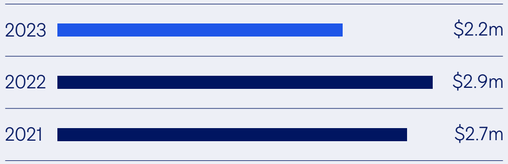
Advancing health and wellbeing

Providing better healthcare and supporting our communities

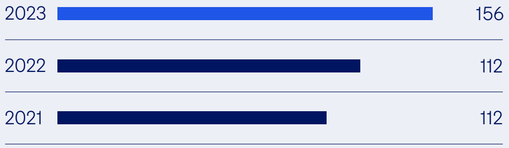
Medicine donations by year (COGS) $m



Sponsorships and monetary donations



Total community engagement activities

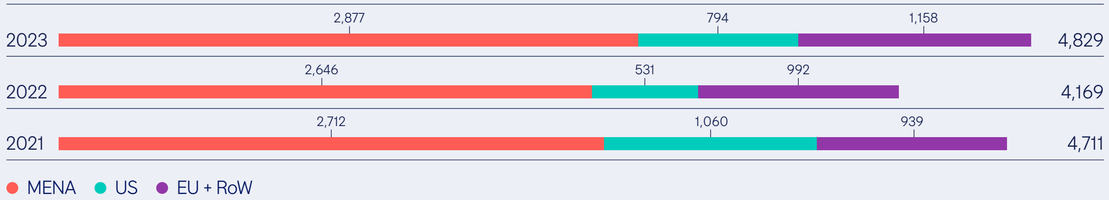


Research and development

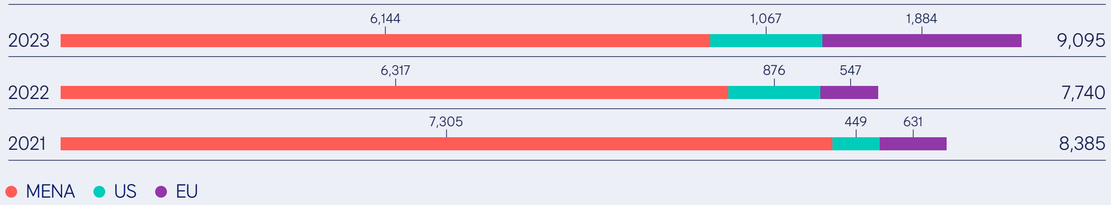
	2023 submissions[1]	2023 approvals[1]	2023 launches[1]
Injectables	55	87	120
US	27	31	28
MENA	21	23	25
Europe + RoW	7	33	67
Branded	47	37	32
Generics	5	4	5
Total	**107**	**128**	**157**

1. Pipeline projects submitted, approved and launched by country in 2023.

Number of employee volunteers, by region



Number of employee volunteering hours, by region



Empowering our people

Shaping an inclusive culture where everyone can thrive

General employee information

	2021	2022	**2023**
Number of employees	**8,591**	**8,536**	**9,100**
– MENA & Corporate Jordan	5,445	5,430	**5,749**
– USA	2,065	1,939	**2,092**
– EU + RoW (India, Canada & China)	1,081	1,167	**1,259**
– Percent in Managerial levels[1]	13%	13%	**13%**
– Percent of Professionals and workers[2]	86%	86%	**87%**
Whether more than 10% of workforce or more than 1,000 employees are affected by layoffs or mergers/acquisitions	No	No	**No**

Employee engagement (People's Voice)

	2020	2021	2022	**2023**
Employee engagement score	73%	NA	NA	**73%**
Employee enablement score	64%	NA	NA	**69%**

1 Managerial roles represent employee levels F-I. The calculation excludes employees at the International Pharmaceutical Research Centre (IPRC) and Arab Medical Containers (AMC) in Jordan, in line with our reporting criteria.

2 Professionals and workers represent employee levels A-E. The calculation excludes employees at the International Pharmaceutical Research Centre (IPRC) and Arab Medical Containers (AMC) in Jordan, in line with our reporting criteria.

Employee engagement (%)

73%

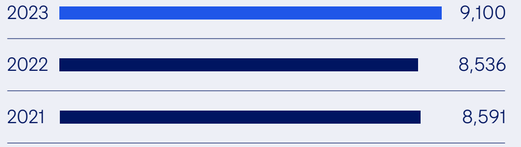
(2020: 73%)

Employee enablement (%)

69%

(2020: 64%)

Number of employees

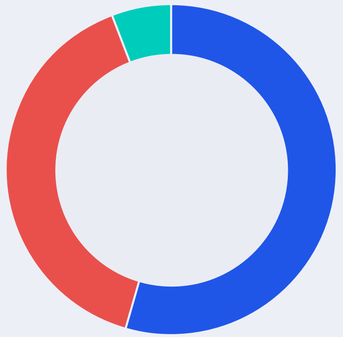


Empowering our people *continued*

Recruitment, retention and promotion

	2021	2022	**2023**
Number of new employee hires	**1,033**	**1,289**	**1,595**
– Men	638	665	**869**
– Women	386	501	**634**
– Unspecified gender	9	123	**92**
Voluntary turnover	**875**	**1,040**	**991**
– Voluntary turnover – Men	527	587	**559**
– Voluntary turnover – Women	346	429	**393**
– Voluntary turnover – unspecified gender	2	24	**39**
Voluntary turnover rate	**10%**	**12%**	**11%**
– Voluntary turnover rate – Men	6%	7%	**6%**
– Voluntary turnover rate – Women	4%	5%	**5%**
– Voluntary turnover rate – unspecified gender	0%	0%	**0.4%**

Number of new employee hires: 2023



Men	869 (54%)
Women	634 (40%)
Unspecified gender	92 (6%)

Sustainability data summary 2023

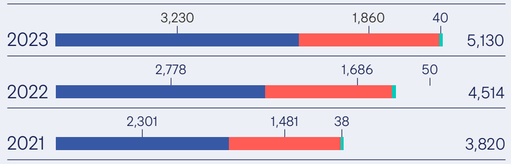
Empowering our people *continued*

Learning and development[1]

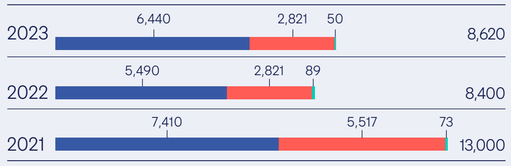
	2021	2022	**2023**
Average hours of training	7.6	8.1	**7.1**
– Men	7.6	7.9	**7.1**
– Women	7.7	8.5	**7.4**
– Unspecified gender	NA	NA	**1.2**
Active users across learning platforms	3,820	4,400	**5,130**
– Men	2,301	2,708	**3,230**
– Women	1,481	1,643	**1,860**
– Unspecified gender	38	49	**40**
Video-based learning hours completed	13,000	8,400	**8,620**
– Men	7,410	5,490	**6,440**
– Women	5,517	2,821	**2,130**
– Unspecified gender	73	89	**50**
Instructor-led learning hours	47,000	55,000	**52,760**
– Men	31,725	34,447	**32,250**
– Women	15,145	20,497	**20,490**
– Unspecified gender	130	56	**20**
Number of active Continuing Education Scholarships for employees	NA	25	**22**

1 Learning and development metrics exclude employees at the International Pharmaceutical Research Centre (IPRC) and Arab Medical Containers (AMC) in Jordan, in line with our reporting criteria.

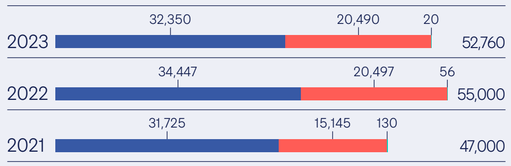
Number of active employee users across learning platforms



Number of video-based learning hours



Number of instructor-led learning hours



● Men ● Women ● Unspecified gender

Sustainability data summary 2023

Empowering our people *continued*

DEI Target[1]

35%

Achieve a minimum of 35% women on the Executive Committee and their direct reports1

Diversity, equity and inclusion[2]

	2021	2022	**2023**
Number of full time employees – Women	2,977	2,968	**3,123**
– Percent of total headcount	35%	35%	**35%**
Number of women in Managerial levels[3]	297	309	**345**
– Percent of total headcount	28%	29%	**30%**
Number of women in Professional and Worker levels[4]	2,692	2,613	**2,773**
– Percent of total headcount	36%	36%	**36%**
Number of Board members appointed that are women	3	5	**5**

Ethics and compliance[2]

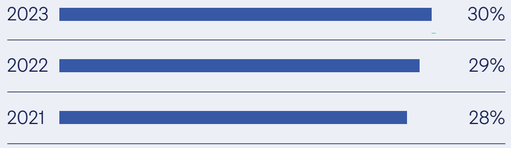
	2021	2022	**2023**
Percentage of employees that have conducted Code of Conduct training	98%	98%	**98%**

Employee health and safety[2]

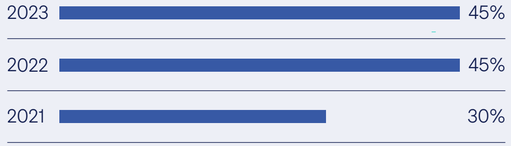
	2021	2022	**2023**
Number of lost time incidents (LTIs)[5]	103	94	**85**
Lost time incident rate (LTIR)[5]	1.37	1.32	**1.01**
Number of fatalities	0	0	**0**
Fatality rate	0	0	**0**

1 Subject to applicable laws, these targets are not intended to act as quotas or preferences and selections will continue to be based on merit
2 Calculations exclude employees at the International Pharmaceutical Research Centre (IPRC) and Arab Medical Containers (AMC) in Jordan, in line with our reporting criteria.
3 Managerial roles represent employee levels F-I.
4 Professionals and workers represent employee levels A-E
5 LTI and LTIR for 2021 and 2022 have been restated to align with our most recent sustainability reporting criteria, available at **www.hikma.com/responsibility**

Percentage of employees in Managerial roles that are women[2]



Percentage of women on the Board of Directors



Protecting the environment

Minimising our impact on the planet

Target

25%

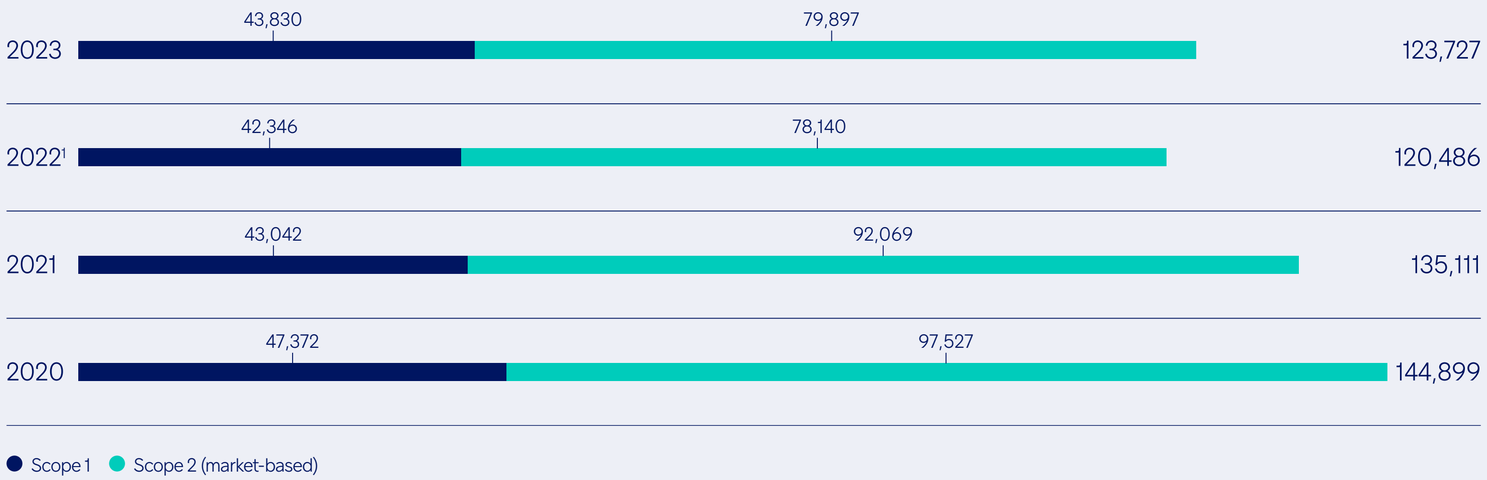
Our emission target is to reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline

GHG emissions[1] (tCO_2e)

	2020	2021	2022[1]	**2023[2]**
Scope 1 – Combustion of fuel and operation of facilities	47,372	43,042	42,346	**43,830**
Scope 2 (market-based) – Electricity	97,527	92,069	78,140	**79,897**
Total Scope 1 and 2 emissions (market-based)	144,899	135,111	120,486	**123,727**
Year-on-year change in Scope 1 and 2 emissions (market-based)	N/A	(7%)	(10%)	**3%**
Change in Scope 1 and 2 emissions (market-based) since base year 2020	N/A	(7%)	(17%)	**(15%)**
Scope 2 (location-based) – Electricity	94,949	84,708	79,601	**83,536**

1 Emissions for 2022 have been restated as we continue to improve our monitoring and analysis of environmental metrics
2 Emissions for 2023 are updated from the Annual Report 2023 data, updating the Q4 estimates and reflecting actual consumption and emissions for the 2023 full year

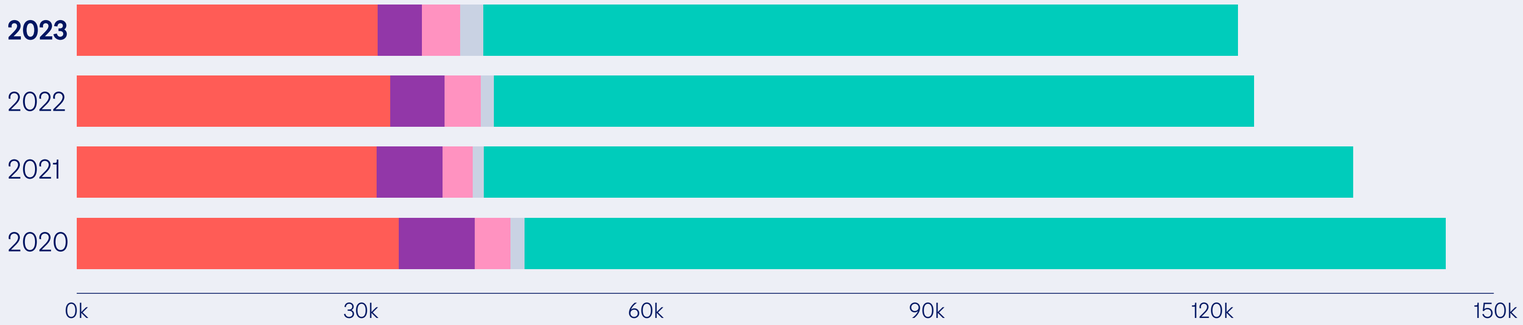
GHG emissions
(tCO_2e)



Sustainability data summary 2023

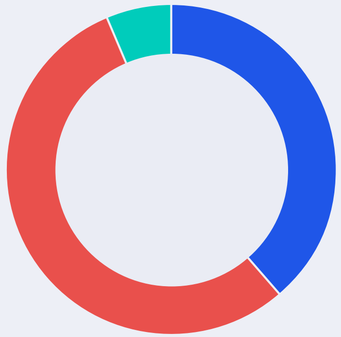
Protecting the environment *continued*

GHG emissions breakdown by source (market-based)



- Natural gas combustion (Scope 1)
- Diesel and petrol combustion (including for vehicle-use)
- LPG/Propane combustion (Scope 1)
- Refrigerants (Scope 1)
- Purchased electricity (Scope 2)

GHG emissions (Scope 1 and Scope 2 market-based) breakdown by region



North America	38%
MENA	54%
EU and RoW	6%

Protecting the environment *continued*

Emissions intensity

Emissions intensity is a useful metric to gauge our progress in being more efficient while maintaining consistent growth in absolute terms.

Emissions intensity: revenue ($m)[1]	2021	2022	**2023**
Scope 1 and 2 emissions (market-based) / Group revenue	47.1	43.1	**43.0**
Scope 1 and 2 emissions (location-based) / Group revenue	50.0	49.5	**44.3**

Emissions intensity: headcount[2]	2021	2022	**2023**
Scope 1 and 2 emissions (market-based) / headcount	15.7	14.4	**13.6**
Scope 1 and 2 emissions (location-based) / headcount	14.9	14.6	**14.0**

UK Office emissions[3]

	2021	2022	**2023**
Emissions total (tCO_2e)	187	202	**65**
As percentage of Group	0.13%	0.16%	**0.05%**

1 Emissions intensity by revenue is calculated using Group-wide revenue ($m)
- Group revenue 2021: 2,553
- Group revenue 2022: 2,517
- Group revenue 2023: 2,875

2 Emissions intensity by headcount is calculated using Group-wide headcount
- Group headcount 2021: 8,700
- Group headcount 2022: 8,800
- Group headcount 2023: 9,100

3 The Group operates one location within the United Kingdom, where we are listed, which is an office building that is managed by a third party. Energy consumption is measured by meter readings provided by the managing agent and relates to electricity and gas used for heating, cooling and general office power. The Group does not provide transport within the UK

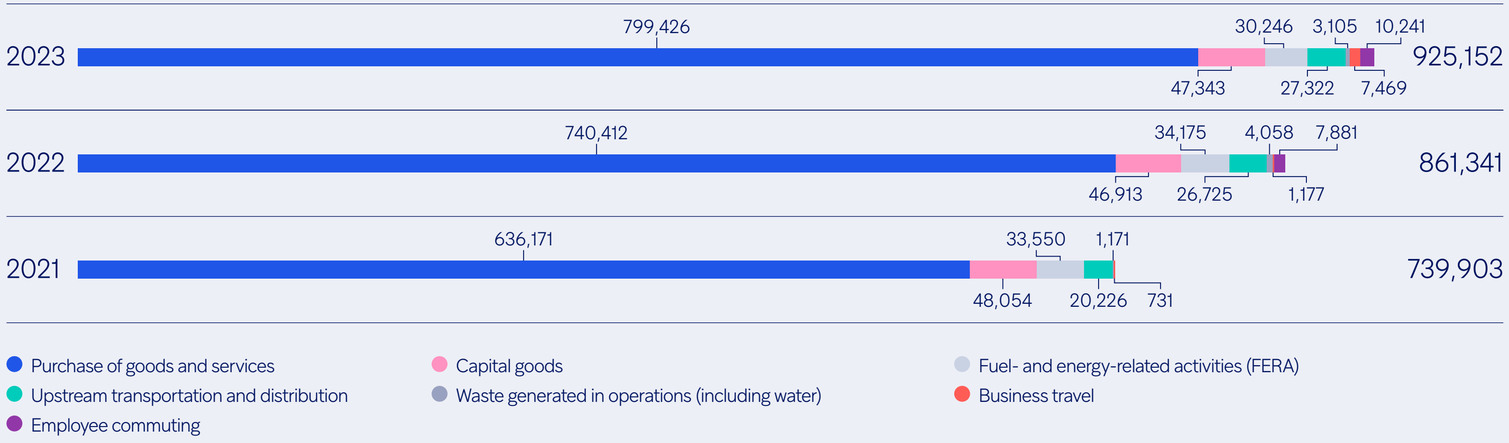
Protecting the environment *continued*

GHG emissions, Scope 3 (tCO_2e)[1]

Scope 3 category[4]	Category description	2021	2022	**2023**
1	Purchase of goods and services	636,171	740,412	**799,426**
2	Capital goods	48,054	46,913	**47,343**
3	Fuel & energy related activities not included in Scope 1 or Scope 2	33,550	34,175	**30,246**
4	Upstream transportation and distribution[3]	20,226	26,725	**27,322**
5	Waste generated in operations (including water)	1,171	4,058	**3,105**
6	Business travel	731	1,177	**7,469**
7	Employee commuting	–	7,881	**10,241**
	Total[2]	739,903	861,341	**952,152**

1 Limited assurance of the Sievo Oy CO_2 analytics module and methodology by EY. The full assurance statement can be found at **www.hikma.com/responsibility**
2 Changes in Scope 3 emissions totals between years is partially due to the introduction of new emissions categories to our reporting boundary
3 Includes Category 9: Downstream transportation and distribution
4 Categories determined to be relevant but not yet calculated include; Category 11: Use of sold products, Category 12: End of life treatment of sold products and Category 15: Investments

GHG emissions, Scope 3 (tCO_2e)



Protecting the environment *continued*

Methodology and assurance

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and in alignment with the Scope 2 guidance.

We consolidate our organisational boundary according to the operational control approach, as described in the GHG Protocol Reporting Standard. This includes all our facilities and locations where we have operational control.

The GHG sources that constituted our operational boundary for Scope 1 and 2 are:

Scope 1:
– Natural gas combustion
– Diesel combustion
– Petrol combustion
– LPG/propane combustion
– Vehicle emissions
– Refrigerants

Scope 2:
– Purchased electricity – standard
– Purchased electricity – renewable

For reporting in this Sustainability Report, we have updated the data published in our Annual Report 2023 to include actual data for October to December 2023. This replaces the estimates that were included for those months.

We continue to refine and improve how we monitor and manage our emissions. In this context, we have restated our 2022 emissions by -3% as we continue to improve our monitoring and analysis of environmental metrics. More information on this restatement and our data management methodology can be found here **www.hikma.com/responsibility**.

We have internal sustainability reporting criteria for key metrics which guide our sustainability reporting. The criteria define our reporting boundary and conditions for restatements, and establish a unified hierarchy for estimating consumption where actual data are not available. Our emissions calculation contains no material omissions, as determined by the reasonable level of assurance received on this data. In some cases, where any month's data is missing, it has been estimated using the following methodology: using data from one year prior to the month to be estimated or previous year as proxy, calculate an average daily consumption over that period and apply that to the number of days within the month to be estimated.

EcoAct was engaged by Hikma to provide independent third-party reasonable verification of its direct (Scope 1) and indirect (Scope 2 and selected Scope 3) GHG emissions, as detailed in this report. Based on the data and information provided by Hikma and the processes and procedures followed, it is EcoAct's verification opinion that the following GHG emissions totals are fairly stated and free from material error for 2023.

Verified emissions by EcoAct include:

– Scope 1 emissions – Combustion of gaseous fuels (natural gas, diesel, petrol and LPG) Fugitive refrigerant gases
– Scope 2 emissions – Purchased electricity consumption (location and market-based)
– Scope 3 emissions – Emissions including Scope 3 Category 3: fuel and energy related activities not included in Scope 1 or Scope 2 (FERA), Category 5: Waste generated in operations (including water), and Category 7: Employee commuting.

For external assurance of the remaining Scope 3 categories (Category 1: Purchase of goods and services, Category 2: Capital goods, Category 4: Upstream transportation and distribution, and Category 6: Business Travel), we worked with an external third party, Sievo Oy, to assess our carbon footprint for these categories. Sievo has contracted Ernst & Young (EY) under a 'limited assurance engagement', as defined by International Standards on Assurance Engagements 3000 (ISAE 3000) to report on the methodology and the emission factors used behind 'CO2 Analytics' tool (the Tool) as of 21 January 2022.

The full verification statements can be found here **www.hikma.com/responsibility.**

Sustainability data summary 2023

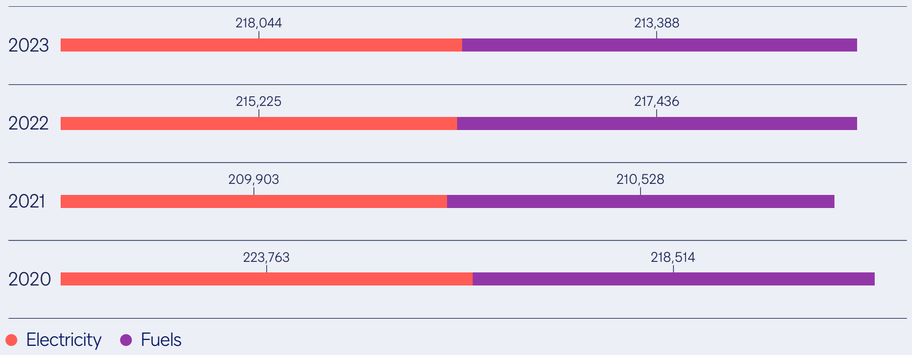
Protecting the environment *continued*

Energy consumption (MWh)

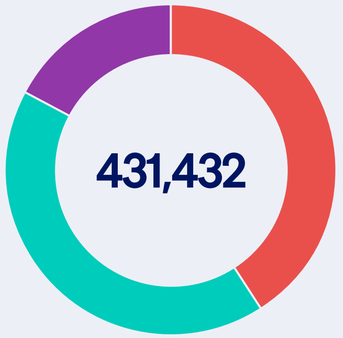
	2020			2021			2022[1]			2023[2]		
	UK	Rest of the world	Total	UK	Rest of the world	Total	**UK**	**Rest of the world**	**Total**	**UK**	**Rest of the world**	**Total**
Electricity	129	223,634	223,763	125	209,778	209,903	**116**	**215,109**	**215,225**	**168**	**217,876**	**218,044**
Fuels	871	217,644	218,514	882	209,646	210,528	**882**	**216,554**	**217,436**	**21**	**213,367**	**213,388**

1 Emissions for 2022 have been restated as we continue to improve our monitoring and analysis of environmental metrics
2 Emissions for 2023 are updated from the Annual Report 2023 data, updating the Q4 estimates and reflecting actual consumption for the 2023 full year

Energy consumption (MWh) by total electricity and total fuels per year



Energy consumption (MWh) by region – 2023



North America	41%
MENA	42%
EU and RoW	17%

Protecting the environment *continued*

Target

2025

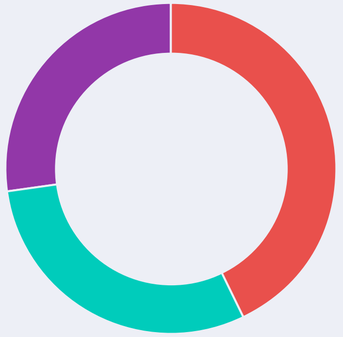
Incorporated water as part of the Executive Director's long-term incentive plan with an aim to set water management targets for all MENA sites by the end of 2025

Water and waste consumption by region (m³)

		2021	2022	**2023**
Water				
Extracted water consumption	m³	1,064,479	1,175,224	**1,231,312**
Treated water consumption	m³	73,306	80,100	**45,370**
Discharged water consumption	m³	689,533	853,279	**1,050,915**
Waste generated	Tonnes	8,890	13,275	**14,876**

Note: Our data collection of waste and water is a work in progress, which we continue to refine and improve

Water consumption by region (m³) – 2023



North America	43%
MENA	30%
EU and RoW	27%

Sustainability-related certifications

In recent years, we have pursued and achieved a range of certifications to improve efficiency and health and safety standards across our sites. The table below indicates the sites where we have achieved sustainability-related International Organisation for Standardisation (ISO) certifications.

Site Name	Country	ISO 14001 Environmental Management Systems	ISO 45001 Occupational Health and Safety	ISO 50001 Energy Management Systems
Hikma Jordan	Jordan	✓	✓	✓
APM Sahab	Jordan	✓	✓	
APM Salt	Jordan	✓	✓	
AMC	Jordan	✓	✓	
JPI	Saudi Arabia	✓	✓	
6 October	Egypt	✓	✓	✓
HSP	Egypt	✓	✓	✓
HPI	Egypt	✓	✓	✓
IAB	Tunisia	✓	✓	
Medicef	Tunisia	✓	✓	

Building trust through quality in everything we do

Upholding ethical standards and acting with integrity

Good manufacturing practices (GMP) and GMP-related audits at our sites

Governance	2021	2022	**2023**
External audits	116	118	**129**
Internal audits	28	26	**24**

Worldwide pharmacovigilance compliance with reporting requirements

	2017	2018	2019	2020	2021	2022	**2023**
Individual case safety reports submission compliance rate	91%	94%	99%	98%	99%	96%	**98%**
Aggregate reports submission compliance rate	98%	98%	96%	100%	99%	100%	**99%**

Percentage spend on local suppliers

Local suppliers represent the majority of our spend.

We assessed markets representing more than 90% of our total spend, and maintained an average of 59%-60% spend on local suppliers between 2021 and 2023. We recognise that supporting local suppliers drives socio-economic development for our markets, and we aim to maintain a strong local presence and supplier base.

Sustainable screening for social and environmental compliance

All of our new suppliers undergo social criteria screening, including compliance with the Modern Slavery Act and anti-corruption and bribery protocols.

Our aim is to build a more sustainable value chain though active engagement and collaboration with our key suppliers. By understanding their levels of sustainability maturity, we aim to identify opportunities and develop strategies for enhancing the sustainability of our value chain.

	2022	**2023**
Suppliers screened for environmental criteria (percentage of annual spend)	39%	**49%**

Appendix

This report demonstrates our approach to addressing the ten principles of the UNGC. We have also used the SASB and GRI Standards as a guidance to help us structure our disclosures.

IN THIS SECTION

Aligning with the United Nations Global Compact..... 48
Our adopted Sustainable Development Goals..... 49
SASB index..... 50
GRI index..... 51

Aligning with the United Nations Global Compact

We continue to uphold the ten principles of the UNGC and have been committed members of the organisation since 2007.

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Read more on page 29

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Read more on page 30

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.

Read more on page 30

Principle 5: Businesses should uphold the effective abolition of child labour.

Read more in our Code of Conduct

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Read more in our Code of Conduct

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Read more in our Annual Report 2023, Aligning with the TCFD

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Read more on page 25

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Read more on page 25

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Read more on page 29

Our adopted Sustainable Development Goals

We have prioritised five United Nations Sustainable Development Goals (SDGs) that align most closely with our corporate and sustainability strategies.

Good health and wellbeing

3.4 Reduce premature mortality from non-communicable diseases

We align our portfolio, sales and R&D strategy with patient needs that differ across geographies. This includes aligning with patient needs in MENA where there is a continued increase in the prevalence of non-communicable diseases (NCDs) due to demographic and socio-economic trends, including a fast growing and ageing population.

3.5 Strengthen the prevention and treatment of substance abuse

We continue to support communities across the US by providing medicines that help people recover from opioid use disorder and by working with relevant stakeholders to strengthen access, awareness and affordability for patients.

3.6 Strengthen the capacity of all countries, in particular developing countries, for management of national and global health risks

We continue to invest in expansions that strengthen local manufacturing capabilities, including in developing countries. In MENA, $96 million was spent strengthening and expanding manufacturing capabilities, including two ongoing greenfield Injectables production sites in Algeria and Morocco, expanding our site in Algeria and a new land purchase in Saudi Arabia.

Read more about how we advance health and wellbeing

Quality education

4.1 Ensure that all girls and boys complete free, equitable and quality primary and secondary education

Through CSR initiatives that support schools and students across three regions, we are enabling thousands of young students to receive a better education.

4.4 Increase the number of youth and adults who have relevant skills for employment We focus on continuous learning and development for our employees across all levels and geographies.

Read more about how we engage our communities
Read more about our employee learning and development activities

Gender equality

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making

Following the appointment of three new female non-executive directors in 2022, women now comprise 45% of our Board of Directors.

Read more about how we empower women

Decent work and economic growth

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added sectors

Our global capital expenditure of $169 million (2022: $138 million) is spent on strengthening and expanding manufacturing capabilities as well as implementing upgrades and new technologies. We expect Group capital expenditure to be in the range of $160 million to $180 million in 2024.

8.8 Protect labour rights and promote safe and secure working environments for all workers

We maintain ISO 45001 Occupational health and safety management system certification in ten facilities in MENA.

Read more about our global presence and expansion plans
Read more about how we safeguard safe and secure working environments for our people

Climate action

13.2 Integrate climate change measures into policies, strategies and planning

We are committed to reducing our Scope 1 and 2 emissions by 25% by 2030. In 2023, our Scope 1 and 2 emissions are 15% compared to our base year (2020).

Read more about how we minimise our impact on the planet and integrate environmental commitments into our broader strategy

SASB index

We use the Sustainability Accounting Standards Board (SASB) standards for Biotechnology and Pharmaceuticals as a reference for readers. We have included only indicators for which we can reference a response.

Indicator	Description	Our response
Safety of clinical trial participants		
HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Sustainability Report 2023, page 31
Access to medicines		
HC-BP-240a	Description of actions and initiatives to promote access to healthcare products for priority diseases and in priority countries as defined by the Access to Medicine Index	Sustainability Report 2023, page 11
Counterfeit drugs		
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Sustainability Report 2023, page 14
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Hikma Code of Conduct
Ethical marketing		
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	Hikma Code of Conduct
Employee recruitment, development and retention		
HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Sustainability Report 2023, page 22
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	Sustainability Report 2023, page 36
Business ethics		
HC-BP-510a.2	Description of code of ethics governing interactions with healthcare professionals	Hikma Code of Conduct
Activity metric		
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Sustainability Report 2023, page 34

GRI index

We have developed a GRI index as a reference tool for readers. We have used GRI indicators where appropriate, but do not base our report on the full GRI standards.

Disclosure	Our response
General disclosures	
Disclosure 2-1 Organisational details	Annual Report 2023, page 201
Disclosure 2-2 Entities included in the organisation's sustainability reporting	Annual Report 2023, pages 191-192
Disclosure 2-3 Reporting period, frequency and contact point	Hikma publishes its Sustainability Report annually. This report contains information relevant to 1 January, 2023 to 31 December, 2023. Contact information: sustainability@hikma.com
Disclosure 2-4 Restatements of information	Sustainability Report 2023, pages 39-42
Disclosure 2-5 External assurance	www.hikma.com/sustainability
Disclosure 2-6 Activities, value chain and other business relationships	Annual Report 2023
Disclosure 2-7 Employees	Sustainability Report 2023, pages 20-24
Disclosure 2-9 Governance structure and composition	Annual Report 2023, pages 82-132
Disclosure 2-10 Nomination and selection of the highest governance body	Annual Report 2023, pages 94-96
Disclosure 2-11 Chair of the highest governance body	Annual Report 2023, page 89
Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 2023, pages 82-90
Disclosure 2-13 Delegation of responsibility for managing impacts	Annual Report 2023, pages 42
Disclosure 2-14 Role of the highest governance body in sustainability reporting	Annual Report 2023, pages 82-137
Disclosure 2-15 Conflicts of interest	Annual Report 2023, pages 82-137
Disclosure 2-16 Communication of critical concerns	Annual Report 2023, pages 82-137
Disclosure 2-17 Collective knowledge of the highest governance body	Annual Report 2023, pages 82-137
Disclosure 2-18 Evaluation of the performance of the highest governance body	Annual Report 2023, pages 82-137
Disclosure 2-19 Remuneration policies	Annual Report 2023, pages 82-137
Disclosure 2-20 Process to determine remuneration	Annual Report 2023, pages 103-132

Appendix

Disclosure	Our response
Disclosure 2-21 Annual total compensation ratio	Annual Report 2023, page 115
Disclosure 2-22 Statement on sustainable development strategy	Sustainability Report 2023, page 7
Disclosure 2-23 Policy commitments	Sustainability Report 2023
Disclosure 2-24 Embedding policy commitments	Sustainability Report 2023
Disclosure 2-25 Processes to remediate negative impacts	Sustainability Report 2023
Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Annual Report 2023, page 101
Disclosure 2-28 Membership associations	Annual Report 2023, page 20-25
Disclosure 2-29 Approach to stakeholder engagement	Annual Report 2023, page 20-25
Disclosure 2-30 Collective bargaining agreements	Sustainability Report 2023, page 30
Disclosure on material topics	
Disclosure 3-1 Process to determine material topics	Sustainability Report 2023, page 7
Disclosure 3-2 List of material topics	Sustainability Report 2023, page 8
Economic performance	
Disclosure 201-1 Direct economic value generated and distributed	Annual Report 2023, page 146
Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Annual Report 2023, pages 56-65
Disclosure 201-3 Defined benefit plan obligations and other retirement plans	Annual Report 2023, page 175
Indirect economic impacts	
Disclosure 203-1 Infrastructure investments and services supported	Annual Report 2023, page 35
Procurement Practices	
Disclosure 204-1 Proportion of spending on local suppliers	Sustainability Report 2023, page 46

Appendix

Disclosure	Our response
Anti-corruption	
Management of material topics	Sustainability Report 2023, page 29
Energy	
Disclosure 302-1 Energy consumption within the organisation	Sustainability Report 2023, page 44
Disclosure 302-2 Energy consumption outside of the organisation	Sustainability Report 2023, page 44
Disclosure 302-4 Reduction of energy consumption	Sustainability Report 2023, page 44
Water and effluents	
Disclosure 303-3 Water withdrawal	Sustainability Report 2023, page 45
Disclosure 303-4 Water discharge	Sustainability Report 2023, page 45
Disclosure 303-5 Water consumption	Sustainability Report 2023, page 45
Emissions	
Disclosure 305-1 Direct (Scope 1) GHG emissions	Sustainability Report 2023, pages 39-40
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report 2023, pages 39-40
Disclosure 305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report 2023, page 42
Disclosure 305-4 GHG emissions intensity	Sustainability Report 2023, page 41
Disclosure 305-5 Reduction of GHG emissions	Sustainability Report 2023, pages 39-40
Disclosure 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Sustainability Report 2023, page 40
Waste	
Disclosure 307-3 Waste generated	Sustainability Report 2023, page 45

Appendix

Disclosure	Our response
Supplier Environmental Assessment	
Disclosure 308-1 New suppliers that were screened using environmental criteria	Sustainability Report 2023, page 46
Employment	
Disclosure 401-1 New employee hires and employee turnover	Sustainability Report 2023, page 36
Occupational health and safety	
Disclosure 403-1 Occupational health and safety management system	Sustainability Report 2023, page 23
Disclosure 403-5 Worker training on occupational health and safety	Sustainability Report 2023, page 23
Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report 2023, page 23
Disclosure 403-9 Work-related injuries	Sustainability Report 2023, page 38
Disclosure 403-9 Work-related ill health	Sustainability Report 2023, page 38
Training and Education	
Disclosure 404-1 Average hours of training per year per employee	Sustainability Report 2023, page 37
Diversity and equal opportunity	
Disclosure 405-1 Diversity of governance bodies and employees	Sustainability Report 2023, page 38
Local Communities	
Disclosure 413-1 Operations with local community engagement, impact assessments, and development programmes	Sustainability Report 2023, page 34
Supplier local assessment	
Disclosure 414-1 New suppliers that were screened using social criteria	Sustainability Report 2023, page 30

© Hikma Pharmaceuticals PLC
1 New Burlington Place
London W1S 2HR
UK
T +44 (0)20 7399 2760

www.hikma.com

hikma.