

# Acting responsibly

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Hikma  
Sustainability  
Report 2022

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hikma



# Welcome to the Hikma Sustainability Report 2022

## 2022 Highlights

**182**  
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

**+**  
For more information visit [www.hikma.com](http://www.hikma.com)

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# Sustainability at Hikma

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.

We have a duty to act responsibly – for our people, patients, communities and the planet. That’s why we focus on four areas where we can make a positive impact. We advance health and wellbeing; we empower our people; we protect the environment; and we build trust through quality in everything we do.

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A message from our Executive Chairman and CEO

# Better health within reach every day

**Said Darwazah**  
Executive Chairman and Chief Executive Officer



I am delighted to present our Sustainability Report, highlighting our progress and achievements over the past year.

**At Hikma, we're committed to operating sustainably and responsibly, and this commitment is embedded in our purpose, corporate culture and values. We believe it is our duty to operate in a way that maximises positive impact on society and minimises any negative effects of our operations.**

## Governance of sustainability

At Hikma, we are focused on the environmental, social and governance (ESG) issues that are most material to our business and stakeholders. These material issues form the basis of our sustainability framework and strategy and we align our business with these priorities.

I am delighted to report that we have strengthened the governance of sustainability throughout our organisation in 2022. We have established three Executive Sponsor-led committees focused on key issues in our Acting Responsibly framework: Access to Medicines; Diversity, Equity and Inclusion; and Environmental Sustainability. These committees bring together people from different disciplines in the organisation to enhance and drive our performance in these areas.

## Advancing health and wellbeing

We recognise that access to healthcare is a fundamental human right, and with Hikma's unique local manufacturing footprint, we are committed to making our medicines accessible to patients across all the markets in which we operate. Our vision is of a healthier world that enriches all our communities. For more than 40 years, our commercial and operational teams have been dedicated to transforming people's lives by providing the medicine and support that they need every day.

We recognise that access to medicine is a critical issue in all our geographies, but in particular in low- and middle-income countries (LMICs), where healthcare resources are limited. In 2022 we engaged with the Access to Medicine Foundation in its development of a first-of-its-kind 'Generic Medicine Manufacturers Analytical Framework' which aims to highlight and evaluate the important role of generics companies in advancing access to medicine in LMICs.

We also work with strategic partners, licensing innovative products to support our core business and increase access to medicine in underserved communities and emerging markets. Medicine donations are another way that we improve access. Our medicine donations increased from \$3.2 million in 2021 to \$4.3 million in 2022 (value based on cost of goods).



## Empowering our people

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 and empowering workplace that promotes diversity, equity and inclusion (DEI). We recognise that our success as a company depends on the diverse perspectives, skills, and experiences of our employees. In 2022, we set a target to increase the number of women in senior positions and became signatories to the United Nations Women's Empowerment Principles.

To build knowledge and DEI engagement, we launched annual employee diversity awareness training. In addition, we continued building our network of employee resource groups (ERGs) by strengthening our Black Employees Advisory Board and Hikma Women's Network.

## Protecting the environment

We have made significant progress in reducing our greenhouse gas emissions, and we are committed to continuing our efforts to minimise our environmental impact. Over the past year, we achieved a 15% reduction in our Scope 1 and 2 emissions. While this represents a significant achievement, we recognise that we have more work to do to reach our target of 25% by 2030.

In 2023, we have plans for further energy use assessments at our largest sites so we can identify the potential for further emission reductions. This will help to inform a comprehensive review of our longer-term emission reduction target, which we will also undertake during the year. We will also continue taking steps to manage our water more sustainably, particularly in the water-stressed areas where we operate.

We are also aligning ourselves with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). In 2022, we made significant progress against the 11 recommendations, and we are now fully aligned to nine and partially aligned to two, as set out in our Annual Report, on pages 52 to 57. This disclosure also contains our actions for 2023.

## Building trust through quality in everything we do

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

In 2022 we enhanced our third-party risk management processes and launched a new Supplier Code of Conduct.

As a signatory to the United Nations Global Compact (UNGC), we are committed to upholding the ten principles of the UNGC relating to human rights, labour, environment and anti-corruption. Our sustainability strategy is aligned with these principles, and we remain committed to implementing them in all aspects of our business. We report on how we incorporate and meet the UNGC's ten principles in our annual Communication on Progress (COP) report. You can read more about this on page 43.

## Future sustainability ambitions

In 2022, the Board also developed a new executive remuneration policy, which is designed to incentivise our executives to prioritise ESG issues and take actions to improve our sustainability performance. Specifically, our remuneration policy aims to drive emissions reduction and improve our understanding of the risk of water stress for our locations, and how to reduce it.

Our commitment to sustainability is not just a moral imperative; it also makes good business sense. As we look to the future, we're committed to continuing our sustainability journey and making a positive impact on society and the environment.

## Said Darwazah

Executive Chairman and 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.

 Employees <b>c.8,800</b>	 Manufacturing plants <b>32</b>
 R&D centres <b>8</b>	 Products <b>760+</b>

## Our markets

### US

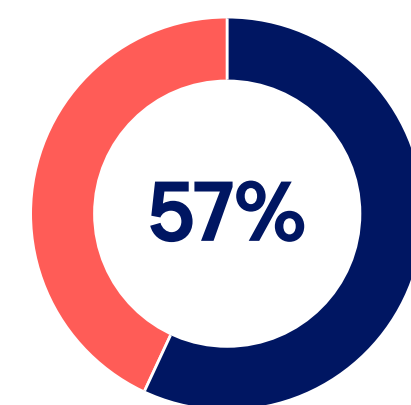
Our large manufacturing facilities in the United States (US) supply generic and specialty products across a broad range of therapeutic areas, including respiratory, oncology and pain management. We also have three R&D facilities to support sustainable growth.



Employees

**c.2,000**

Group core revenue



### MENA

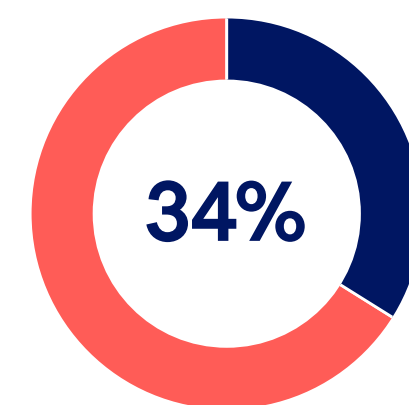
We sell branded generics and in-licensed patented products across the Middle East and North Africa (MENA). We have manufacturing facilities in seven countries, including US FDA-inspected plants in Jordan and Saudi Arabia. Around 2,000 sales representatives and support staff market our brands to healthcare professionals across 18 markets.



Employees

**c.5,600**

Group core revenue



### Europe and Rest of World (ROW)

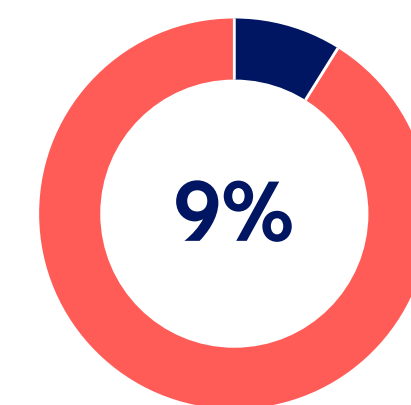
Our injectable manufacturing facilities in Portugal, Germany and Italy have a range of capabilities, including dedicated capacity for oncology and cephalosporins. These facilities supply injectable products to North America, MENA and a growing number of markets in Europe.



Employees

**c.1,200**

Group core revenue



## Recognition of our performance

 <p><b>FTSE4Good</b></p> <p>Constituents since 2014</p>	 <p><b>Modern Slavery Act 2015</b></p> <p>Signatory to the Modern Slavery Act</p>
 <p>Signatory to the United Nations Global Compact</p>	<p><b>WOMEN'S EMPOWERMENT PRINCIPLES</b></p> <p>Signatories to the United Nations Women's Empowerment Principles</p>
 <p>Achieved a score of B (Management level) for CDP Climate Change</p>	<p><b>SUSTAINABLE DEVELOPMENT GOALS</b></p> <p>Supporters of the UN Sustainable Development Goals</p>
 <p>Achieved an ESG rating score of BBB</p>	 <p>Ranked in the 15th percentile of the Pharmaceuticals sub-industry (where first is lowest risk)</p>

Note: Headcount includes locations with majority ownership



# Prioritising the right issues

**We prioritise ESG issues that relate to our business. This means we can integrate sustainability into our overall strategy, mitigate business risks, and ultimately create shared value for our business and stakeholders.**

Guided by an internal materiality assessment, we have developed our sustainability framework, taking into consideration both current and expected legislative requirements and best practice. We have 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 – all of which help us fully understand material issues from an external perspective.

We also take 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 Acting Responsibly framework



Advancing health and wellbeing



Protecting the environment



Empowering our people



Building trust through quality in everything we do



Learn more about our Acting Responsibly Framework [here](#)

## Governance of sustainability

### Board of Directors

Overarching oversight of Sustainability

### Executive Committee

Leadership and alignment of sustainability

### Sustainability team

Executive Sponsor-led: steer and coordination

**ESG Committee:  
Access to Medicine**

**ESG Committee:  
Environmental Sustainability**

**ESG Committee:  
Diversity, Equity, Inclusion**

### Global functions and site management teams

### Employee networks

## Materiality assessment and our sustainability framework *continued*



### 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:
  - Providing better health
  - Supporting education
  - Helping people in need

#### 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.

Supporting the communities where we operate has been a priority for Hikma for more than 40 years. We are committed to providing better health, supporting education and helping 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.

- Culture of progress and belonging
- Values – innovative, caring and collaborative
- Employee wellbeing
- Diversity, equity and inclusion
- Recruitment, retention and promotion

#### Why this is important to us

We believe that having a strong corporate culture and well-established values will enable us to deliver on our strategic priorities and our collective purpose – to put better health within reach, every day. Our people are encouraged to develop their careers and reach their full potential and, as they grow and develop, so does Hikma.

At the same time, we believe in fostering an inclusive workplace where all employees feel they belong. By embedding our culture and values, and through our extensive learning and development programmes, we hope to drive sustained employee engagement, productivity and performance.



### 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

We recognise that manufacturing and delivering medicines has an impact on the natural environment and are committed to the efficient and responsible management of energy, water and waste, both within our organisation as well as across our value chain.

In order to maintain our success as an organisation, it is important that we continue to manage resources responsibly and consider long-term environmental impacts where we do business.



### 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.

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

#### Why this is important to us

We've built our reputation on manufacturing high-quality medicines, and it's important that we ensure quality remains at the core of what we do. Quality underpins our business in different ways, from the medicines we deliver to our customers, to the facilities and processes we have in place to create and sell those medicines, as well as the quality of our people.

We are also committed to upholding the highest ethical standards in the conduct of our global business operations. This is grounded in our values of being innovative, caring and collaborative.

Aligning with the Sustainable Development Goals (SDGs)

# Our adopted goals

We have prioritised five SDGs that align most closely with our corporate and sustainability strategies.



## Good health and wellbeing

### 3.4 Reduce premature mortality from non-communicable diseases

In MENA, we align our sales strategy and R&D efforts with national health priorities, particularly by focusing on fast-growing chronic illnesses. In 2022, revenue from chronic medications made up around 56% of our Branded portfolio, up from 43% in 2016.

[+](#) Read more about access to medicine in MENA.

### 3.5 Strengthen the prevention and treatment of substance abuse

In 2022, we donated 16,000 doses of Kloxxado® (Naloxone HCl) Nasal Spray 8mg to Gibson Gives in the US. The three-year commitment titled TEMPO, Powered by Kloxxado® is valued at \$1 million, making it the largest single donation to Gibson Gives and its TEMPO programme.

[+](#) Read more about how we are addressing the opioid crisis in the US.

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

In MENA, we are reinforcing our strong commercial presence with local manufacturing operations, reducing supply chain complexities and providing local hospitals with direct and rapid access to essential medicines. We are currently constructing two new injectable manufacturing facilities in Morocco and Algeria.



## 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.

[+](#) Read more about our how we support education.

### 4.4 Increase the number of youth and adults who have relevant skills for employment

Through our various learning and development programmes, we provided more than 55,000 instructor-led hours of learning to our employees in 2022.

[+](#) Read more about how we empower our employees through learning and development.



## 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 our support for empowering 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

We operate 32 facilities across 11 countries, eight R&D centres and have invested \$138 million to maintain and expand our facilities in 2022.

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

In 2022, we received ISO 45001 Occupational health and safety management system certification in ten facilities in MENA.

[+](#) Read more about our commitment to employee wellbeing.



## 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 2022, we reduced our Scope 1 and 2 emissions by 15% compared to 2021.

[+](#) Read more about how we minimise our impact on the planet.





# 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.

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Advancing health and wellbeing



# Advancing health and wellbeing

Providing better healthcare and supporting our communities

## Access to medicines

**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

- Enhancing and expanding our manufacturing capabilities, portfolio and presence
- Addressing and anticipating national health priorities and improving responsiveness to evolving patient needs
- Partnering to bring innovative products to 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



### Access to medicine is at the core of our strategy

At Hikma, the core of our corporate strategy focuses on increasing access to medicine. Some of the ways that we do this are by launching more products at more affordable prices across existing and new markets, and by expanding our manufacturing capabilities and disease awareness campaigns.

We endorse the proliferation of generic medicines globally and recognise this as a mechanism through which patients can access medicines more easily and affordably.

Launching new products and expanding our reach into new markets is essential for meeting our corporate goals and executive remuneration targets, and we are achieving this through our existing operations, through new greenfield projects, through acquisitions and partnerships. As we invest in our business, we are improving our reliability of supply and the flexibility of our manufacturing, which enables us to adapt to evolving patient needs while offering more affordable prices for our medicines.

### Governance of access to medicine

We have recently established an Access to Medicine Committee, 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. Through this committee, we aim to bring together individuals across all parts of our business (including R&D, operations and commercial) to collaborate on what more we can do to promote equitable access and support the patient journey.



Advancing health and wellbeing *continued*

### 32 manufacturing plants and eight R&D hubs across 11 countries



● Manufacturing plants ● R&D hubs ● Corporate HQ

NB: does not include local offices, warehouses, distribution centres, IPRC, AMC  
Date of preparation, February 2022

#### Manufacturing capabilities

- We have 32 plants across the Group that supply our global markets with a broad range of injectable and non-injectable products, including 13 US FDA-inspected plants and 12 EMA-inspected plants

#### 2022 highlights

- New injectable plants under construction in Morocco and Algeria
- Capital expenditure of \$138 million to strengthen and expand manufacturing capabilities globally
- Growth in our North American product portfolio through acquisitions of Custopharm and Teligent Inc.
- Leading supplier of oral oncology products in Egypt and Algeria

### Our presence

Core to Hikma's strategy is having a strong local presence in our markets. We operate state-of-the-art manufacturing facilities in MENA, the US and Europe and are continually expanding this presence by building new sites and expanding existing ones.

Through our local sites, we are uniquely positioned to respond quickly to evolving healthcare needs and priorities and to ensure greater reliability of supply to guard against medicine shortages. Our presence also supports local job creation in fields critical to strengthening socio-economic development, and allows us to engage with our patients directly to improve the overall patient journey.



In MENA, we are now the third largest pharmaceutical company by sales (up from fourth in 2021)<sup>1</sup> and we continue to expand our local manufacturing capacity to ensure patients have access to critical medicine throughout the region. We have 23 manufacturing plants in the region, and new injectables plants under construction in Algeria and Morocco. We also manufacture certain APIs through our API manufacturing facility in Jordan. During 2022 we enhanced our capabilities and expanded our sites in Jordan, Saudi Arabia and Sudan, enabling us to better meet local demand, including for oncology products, and ensure reliability of supply for critical chronic treatments. Having a local presence will help reduce supply chain complexities and enables us to provide hospitals with direct and more rapid access to essential injectable medicines. Moreover, this significant footprint enables us to deliver on our corporate strategy and promote access to medicine across the region.

#### Addressing health priorities in MENA

Our areas of focus align closely with regional and national healthcare priorities and we work with relevant stakeholders to improve the quality of access in the region. Our commercial teams meet and collaborate with doctors, clinicians, and pharmacists regularly

to improve disease awareness, healthcare standards and access to quality medical care in the region. We host scientific symposia to spread knowledge and awareness about diseases that could lead to better detection, diagnosis, and treatment to help improve patient outcomes. Our teams also regularly meet with governing bodies and industry regulators to understand the unmet healthcare needs in key markets.

According to the International Diabetes Foundation, the MENA region has the highest prevalence of diabetes globally. 16% of people in the MENA region have diabetes and the number of diabetics is expected to reach 136 million by 2045.<sup>2</sup> Through our own branded generics and in-licensed products, we are able to bring leading diabetes treatments to patients in our MENA markets, including Vipidia™ (alogliptin) and Divinus® (dapagliflozin).



In the US, Hikma is a top-three manufacturer of generic injectable medicines by volume<sup>3</sup>, 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, Ohio and California. We consistently work to enable broader patient access to generic medicines through our membership in and support of key trade associations and advocacy groups. We are an active member of the Association of Accessible Medicine in the US, with the President of our Generics business sitting on the association's Board of Directors.

1 IQVIA Midas MAT September 2022 for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia, UAE. USD sales  
2 Middle East and North Africa Diabetes Report, 2000-2045, International Diabetes Federation, <https://diabetesatlas.org/data/en/region/4/mena.html>  
3 IQVIA MAT through July 2022, generic injectable volumes by eachees, excluding branded generics and Becton Dickinson



## Advancing health and wellbeing *continued*

### Addressing health priorities in the US

We continue to work with the Food and Drug Administration (FDA) to anticipate and address shortages of vital medicines in the US. We played a leading role in addressing shortages of amoxicillin in the country. We increased our global production by around 10% by designating 24/7 manufacturing lines in Jordan and the US and accelerated our shipping via air freight. We also coordinated with the FDA Commissioner's Office to more effectively address the challenge.

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.<sup>4</sup> Among our lifesaving medicines, Hikma is a leading manufacturer of naloxone and other addiction therapies. Naloxone rapidly reverses an opioid overdose and can be given as a nasal spray or injected. We manufacture both a nasal spray, KLOXXADO®, and an injectable naloxone medicine. See the case study on page 13 for more detail on the actions we have taken to expand access to lifesaving medicines in the US.



### Addressing major access challenges

#### Supply chain

Reliability and continuity of supply of medicines is critical for our customers and so we are focused on the strength of our supply chain. Our procurement and supply chain teams work closely with our site teams to manage supplies of both active pharmaceutical ingredients (API) and other consumables. Since the COVID-19 pandemic, security of supply has become paramount and, where we can, we have dual-source API supply and hold increased inventories of key items.

#### Regulatory

Regulation differs across our markets, so having strong local regulatory teams with knowledge of the process in our geographies is critical to achieving approvals for new medicines and bringing them to market.

#### Market shortages

Our broad portfolio and flexible manufacturing capabilities enable us to respond quickly to urgent needs for important medicines in the US, MENA and Europe, especially when there are critical shortages.

#### Managing instability

In several of our markets, socio-economic and political circumstances have presented a need for us to adapt and respond. In countries such as Yemen, Lebanon, Libya and Sudan, we have worked to maintain a secure supply of medicines. This has involved restructuring distribution models and adapting to the needs of the market and our local partners.

#### Case study

### Addressing access challenges

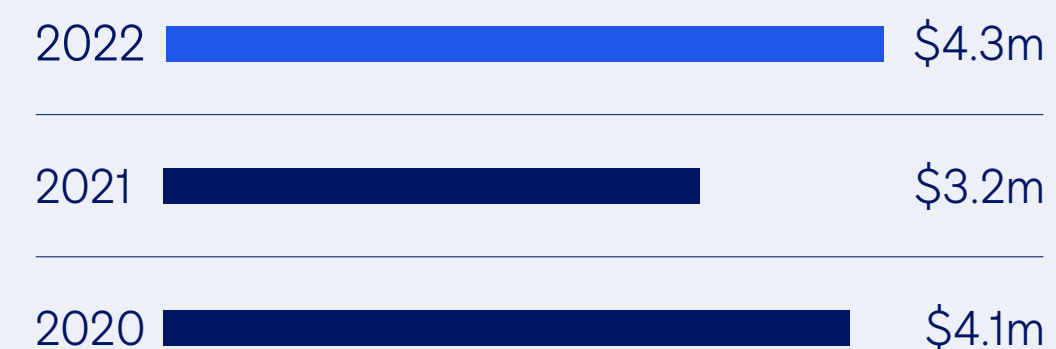
In 2022, currency devaluation in Egypt resulted in major import constraints, curtailing the country's ability to supply patients with various essential medicines. As the only local producer of oral oncology products, we were uniquely positioned to adjust our manufacturing in order to accommodate evolving market needs. This was the case for both Carcemia (Imatinib) for which demand quadrupled and capecitaget (Capecitabine) which saw demand increasing 10-fold.

### Our medicine donations programme

We have an active medicine donation programme, through which we provide direct support to those people and communities that need it most. These include low-income groups, displaced people, children with life-threatening illnesses, and patients without sufficient medical coverage.

During the year, we worked alongside partners such as Direct Relief to provide critical medicines to Ukraine, as well as elsewhere around the world. Our medicine donations increased from \$3.2 million in 2021 to \$4.3 million in 2022 (value based on cost of goods).

#### Medicine donations (COGS) \$m



#### Case study

### Spreading awareness regionally through the 'Hiyat Hilweh' digital platform

In 2022, we launched our Arabic language disease awareness platform – 'Hiyat Hilweh' – for patients in MENA. Through this consumer-focused platform we raise awareness for patients about conditions most prevalent in MENA, including hypertension, obesity, diabetes, iron deficiency and gastroesophageal reflux disease (GERD). Hiyat Hilweh has more than 184,000 Instagram followers and 307,000 Facebook followers. Through the platform, patients are able to learn and share experiences about the most prevalent chronic lifestyle diseases in the region.



### 3. Europe

In Europe, we have manufacturing sites in Portugal, Germany and Italy, which supply our global markets with sterile injectable products. In 2022, we extended our reach within the continent by expanding our facility in Portugal and developing our commercial sales presence to include France and Spain. We also addressed market shortages in Germany, Portugal and France.

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



## Advancing health and wellbeing *continued*



### Case study

## Collaborating with the Access to Medicine Foundation

In 2022 we began engaging with the Access to Medicine Foundation to leverage its expertise and further enhance our approach to accessibility.

We worked alongside the foundation as part of its Generic Medicine Manufacturers Research Programme to evaluate the role of generic manufacturers in increasing access to medicine in low- and middle-income countries (LMICs). We also collaborated with industry peers and partners in a workshop led by the foundation aimed at sharing perspectives on global health security and effective multistakeholder approaches to improving access to medicine.

In 2023, we will work with the foundation to support its development of an access to medicine framework specific for generic medicine manufacturers. Participating in this exercise enables us to be at the forefront of developing universal standards to assess the performance of generics companies in this area.

access to  
medicine  
FOUNDATION

### Case study

## Adaptive research and development to improve patient accessibility

We are increasingly leveraging our R&D expertise to adapt products to suit patient needs and specific market conditions. In recent years, we have developed multiple anti-infective products in novel, sachet formulations, including:

- Lexin® sachet 500 mg & 1000 mg (Cefalexin)
- Dicesf® sachet 500 mg (Cefaclor)
- Amoclan® sachet 125 mg / 1 g (Amoxicillin / Potassium clav)
- Ecoclav® sachet 500 mg & 1000 mg (Amoxicillin / Potassium clav)
- Zomax® sachet 500 mg (Azithromycin)

Adapting to sachet unit dose form improves patient accessibility by:

- improving physiochemical stability of the product and extending its shelf life
- special storage conditions, such as refrigerated conditions, can be avoided for sensitive products
- improving patient compliance, as the unit dose formulation reduces chances of overdose
- increasing affordability for patients – they can buy unit dose sachets based on their required treatment and are not obliged to purchase the entire container. This also reduces product waste
- improving ease of administration for patients



### Case study

## Addressing the opioid medical emergency in the US

We have been working with communities across the US for more than 20 years to provide medicines that help people recover from opioid use disorder (OUD).

In particular, we partner with harm reduction organisations to help expand access to all FDA-approved forms of naloxone. Harm reduction groups are a key pillar in the US Department of Health and Human Services' Overdose Prevention Strategy, addressing substance use disorders through prevention, treatment, and recovery. As a lifesaving overdose antidote, naloxone is an important tool for harm reduction groups.

In 2021, we donated 50,000 vials of our injectable naloxone to members of the Opioid Safety and Naloxone Network Buyers Club (now called Remedy Alliance/For The People). The aim was to help ease a shortage of the medicine for non-profit harm-reduction programmes following a nationwide recall of another manufacturer's naloxone medicine.

We also established the Hikma Community Health™ platform to support patients. Weblink: <https://hikmacommunityhealth.com/>. The platform combines medicine with compassion, and partners with communities to support addiction recovery and opioid safety education. Learn more about naloxone: <https://vimeo.com/798873242>.

Learn more about how naloxone is helping support medical emergency preparedness in the US.

### How we support addiction and recovery awareness in the US through our Hikma Community Health Platform



Provide education



Assist recovery



Encourage community



Foster hope



### Case study

## Hikma Cancer Network: Bringing stakeholders together to improve oncology treatment and research in MENA

For the fifth year, cancer specialists came together to attend the 'Hikma Cancer Network – Middle East and North Africa Forum.' The forum covered various hematology and solid tumour fields. We hosted more than 15 international speakers from The University of Texas MD-Anderson Cancer Centre who enabled the exchange of ideas amongst the more than 150 hematologists and oncologists from the MENA region in attendance.



Advancing health and wellbeing *continued*

## Corporate social responsibility

Community engagement is a core aspect of our sustainability agenda. Across our global footprint, we work with our partners and employee volunteers to positively impact our communities.



Learn more about our impact  
Hikma CSR impact 2022



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

### Where we focus



#### Providing better health

We work to address unmet healthcare needs by conducting community outreach and providing in-kind medicine donations to patients in need



#### Supporting education

We are committed to providing our people and communities with opportunities to realise their full potential through continuous learning and development



#### Helping people in need

We believe in supporting the communities in which we live and work through local non-profit sponsorships and empowering our employees to support our neighbours in need

### Our ambitions

- Meaningfully impact the communities where we operate through engagement across our focus areas
- Maintain and expand inclusive volunteering opportunities for employees throughout our locations
- Continue to establish impactful partnerships to address socio-economic development priorities in areas where we operate
- Continue supporting local health and education infrastructure

### Our 2022 performance highlights

# \$2.9m

in sponsorships and monetary donations

#### Providing better health



Donated

## \$4.3m

worth of medicines to patients across the globe



Donated

## 300

litres of blood

#### Supporting education



Supported

## 4,000

students through our financial contributions



Granted

## 80

scholarships to students in nine non-profit organisations

#### Helping people in need



Invested

## \$120,000

in local community projects to strengthen infrastructure



Donated

## 190,000

food packages and meals to families in need



Advancing health and wellbeing *continued*

## Our focus areas in action

The following pages set out examples of our activities throughout 2022 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.

## Providing opportunities for children with disabilities in Jordan

# 10

students with disabilities admitted at Grade One

In Jordan we completed the renovation of the Al-Hussein Society (AHS) School for primary differentiated education, so children with disabilities can continue receiving a quality education. The school is part of the Jordan Centre for Training and Inclusion, a non-profit organisation that promotes social inclusion for persons with disabilities. This year, ten students were admitted to Grade One at the school.



## Helping deliver medicines to those who need it

# 500

families supported in Algeria

Following devastating wildfires in the forests of eastern Algeria, we helped deliver medicines to patients in need, cooperating with the National Union of Pharmacy Operators. In total, we donated more than 2,700 units of 22 different medicines to nearly 500 families.

## Donating to patients and hospitals in Egypt and Morocco

# 15

implantable ports donated to patients

Employees visited Beni Mellal Regional Oncology Centre in Morocco and donated 15 implantable ports for patients, collaborating with the Al-Ikhaa' Association. We also donated five bed head units to Baheya Breast Cancer Hospital in Egypt.



## Addressing blood shortages in the MENA region

# 300

litres of blood donated through our campaign



In the MENA region, we organised blood drives as part of our We Are Hikma campaign. More than 300 litres were donated, helping address blood shortages at hospitals and health centres in the region. We also organised free medical testing for more than 375 employees, as well as awareness sessions and online resources relating to topics such as mental wellbeing and stress management.

## Providing health relief in Ukraine

# 95,000

units of medicine donated

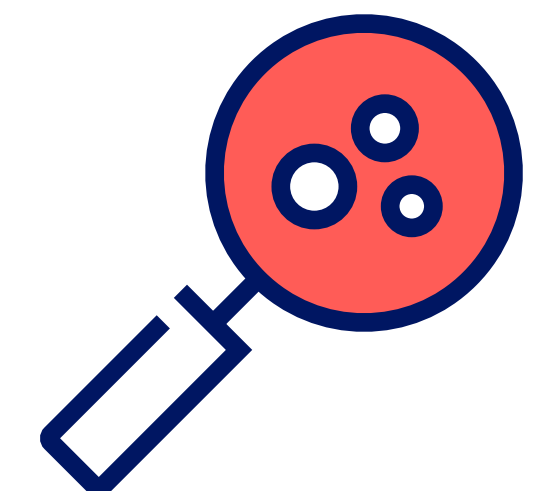
Throughout 2022, Hikma worked with partners to help support relief efforts in Ukraine. In 2022, we provided nearly 95,000 units of medicine that went directly to facilities in Lviv to support patients in this community.

## Supporting breast cancer organisations

# \$90,000

donated globally

Globally, we donated more than \$90,000 to support local breast cancer organisations.





Advancing health and wellbeing *continued*

## 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.

## Supporting the Children's Museum in Jordan

# 63,000

children benefitted from an interactive learning space

The Children's Museum in Jordan was established to provide Jordan's future generations with a space for interactive learning. Our support boosts the inclusivity of the museum's educational benefits by sponsoring its open days programme, the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) Schools' Visitation Programme, and online science content. This has brought benefits to more than 63,000 children.



## Equipping a science classroom in Portugal

# 500

students benefitted from a classroom dedicated to science experiments



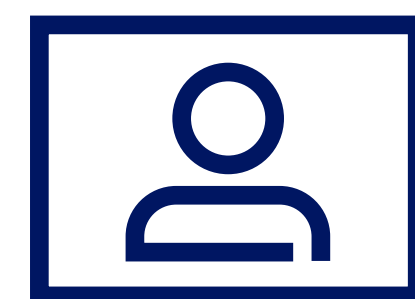
We equipped a classroom dedicated to science experiments at the Alto dos Moinhos elementary school in Portugal, bringing benefits to some 500 students. We also restored the outdoor space of Banzão's Kindergarten, a preschool with a capacity for 60 children aged from 3 to 5 years.

## Installing video equipment in Tunisia

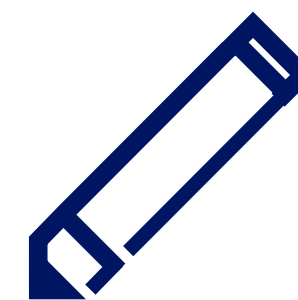
# 11,000

students benefitted from video conference equipment

In Tunisia, we installed video conference equipment at the Faculty of Pharmacy of Monastir, benefitting some 11,000 students.



## Distributing school supplies in MENA



# 210

students received essential school supplies

During our Back-to-School campaigns, we distributed essential school supplies to 210 students in Algeria, Iraq, Saudi Arabia, Morocco and the United Arab Emirates.

## Providing Braille-equipped laptops for visually impaired students in Egypt

# 10

laptops distributed to students

Working with the Al-Orman Association, we distributed ten laptops equipped with a Braille programme to students with visual impairment at Helwan University in Egypt.

## Renovating schools in Sudan

# 1,400

students' educational experience improved

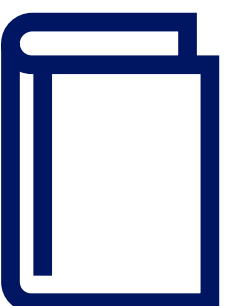


We completed the renovation of four schools in Sudan, which will improve the educational experience of nearly 1,400 students.

## Collecting books for schools in Ohio

# \$1,000

donated to Big Brothers Big Sisters



In Columbus, OH, in the US we partnered with Big Brothers Big Sisters for an annual book and school supply drive. Together, we collected more than 200 books and other essential school supplies. Together with employee contributions, we also donated \$1,000 to the organisation, benefitting more than 600 students.



Advancing health and wellbeing *continued*

Our focus areas in action



# Helping people in need

## Why this is important to us

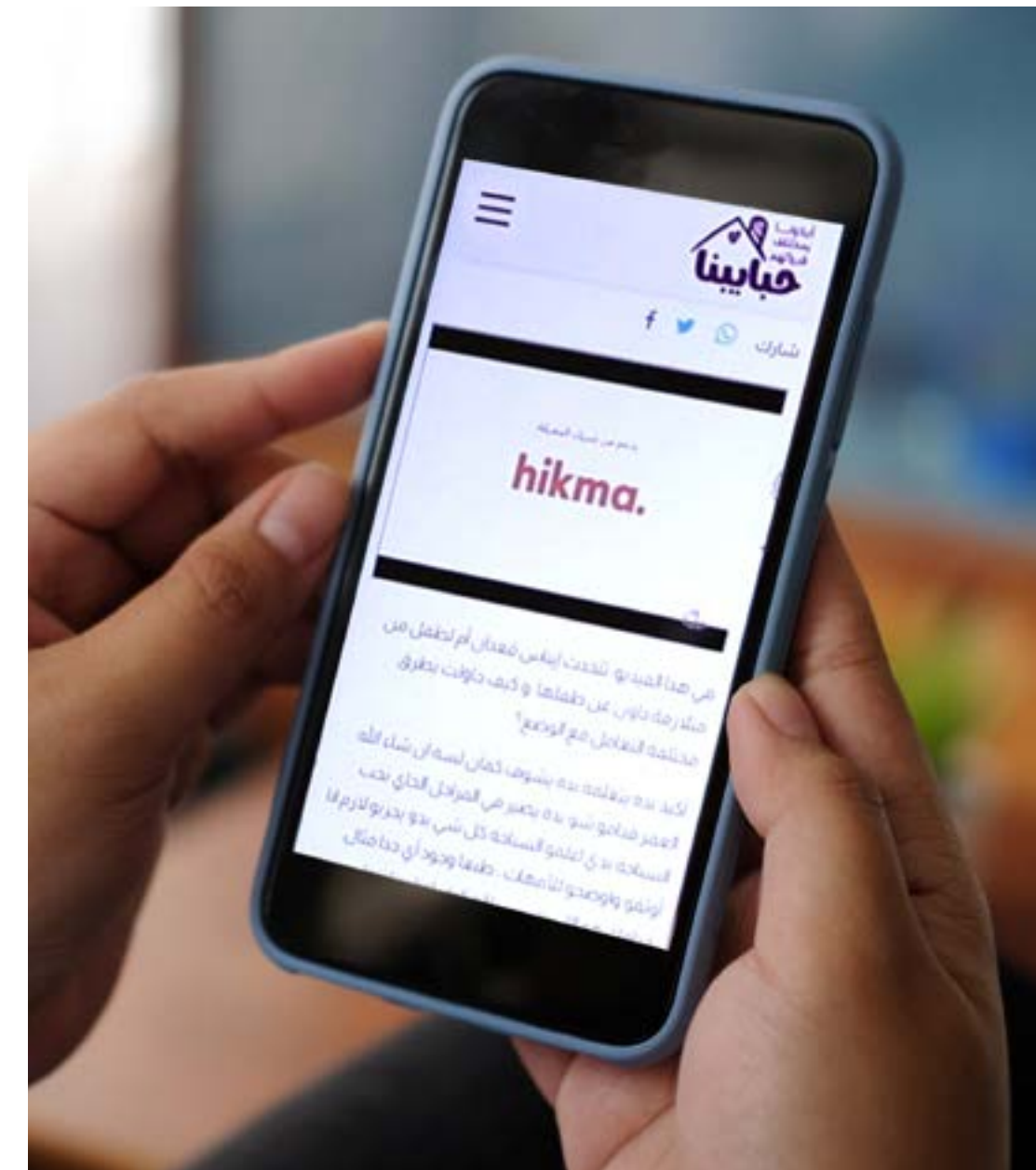
Many of the countries where we operate face systemic socio-economic challenges in the form of poverty and displacement. We tailor our community engagement to address the particular and unique societal circumstances of each location and focus on helping those in most need.

## Sponsoring healthcare videos for special needs children

**250**

short videos sponsored

In partnership with Habaybna, we sponsored the production of 250 short videos that provide advice on how to offer better healthcare for children with developmental special needs. These videos were viewed more than 400,000 times, providing benefits to some 150,000 parents and caregivers across MENA. We also provided free user access to online courses specialising in child development for 2,000 parents throughout the region.



## Refurbishing orphanages in Jordan

**50**

orphans supported by investing in better facilities

We offered assistance and support to the Dar Ri'ayat Al Yateem Orphanage in Jordan, refurbishing their facilities and sanitation infrastructure. The support provides a cleaner and safer environment to more than 50 orphans residing there.

## Donating meals to our food bank partners in the US

**190,000**

meals donated to our food bank partners

We donated more than 190,000 meals in the US to our food bank partners. Our support has been critical as US families face rising inflation, affecting their ability to afford food.

## Supporting disadvantaged families in attaining basic needs

**340**

families received winter supplies

In the Kingdom of Saudi Arabia (KSA), Hikma volunteers helped refurbish and repaint five homes of disadvantaged families, in cooperation with the Tadweer Association. In Jordan, we joined forces with 'Tkiyet Um Ali' and Ta'alof Al Khair to distribute winter supplies to more than 340 families in need.

## Distributing clothing to people in need in Jordan



**125,000**

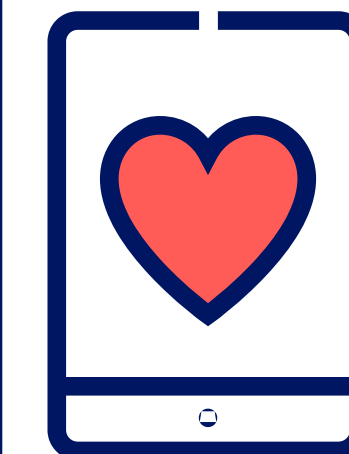
articles of clothing distributed

In Jordan we collected and distributed nearly 125,000 articles of clothing to more than 29,000 disadvantaged people throughout the year in collaboration with the Jordan Hashemite Charity Organization (JHCO) and the Charity Clothes Bank. The bank operates a showroom that allows families to browse freely and choose the items.

## Donating tablets to support those in need in Portugal

**160**

tablets donated to Project 65+



In Portugal, we worked alongside Project 65+ Janela Alberta para o Mundo, Câmara Municipal de Sintra and Fundação Aga Khan Portugal to assist those residing in elderly care centres near our facility. We donated 168 tablets to those in need.



Empowering our people *continued*

# 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

## Where we focus

- Driving recruitment, retention and promotion by offering exceptional learning and development opportunities
- Promoting diversity, equity and inclusion by developing targets that are linked to executive remuneration and endorsing the United Nations Women's Empowerment Principles
- Ensuring that all our business operations meet or exceed industry standards related to environmental, health and safety (EHS) management

## Our ambitions

- Continue to enhance leadership capabilities through the development of leadership-centric programmes
- Broaden the blended learning solutions available to employees through increased face-to-face training courses and digital resources
- Introduce more role-specific learning paths and curricula for employees to encourage stronger career path support
- Work towards our DEI target of increasing the percentage of women in senior positions to 35% by 2025
- Continue to strengthen EHS standards to ensure all our employees work in a healthy and safe environment



## Learning and development

One of our areas of emphasis has been to promote and expand learning and development opportunities and to make them accessible to employees across geographies and levels. Promoting inclusive access to L&D opportunities for our employees strengthens our ability to retain and attract high-calibre talent.



You can find more information about people-related metrics and disclosures in our Data Summary 2022.

### iLearn: our global digital learning platform for employees

Through our iLearn learning platform, we offer all our employees with unlimited, self-paced access to 19,000 video courses and 29,000 e-books, e-book summaries, and audiobooks. In order to encourage inclusive access to the platform, we offer learning materials in multiple languages and spread awareness about its use to employees across all categories and levels. These efforts have resulted in growth in the number of active users year-on-year from 3,820 in 2021 to 4,400 in 2022.

### Operations Academy

We launched our Operations Academy in 2022 to provide a structured curriculum for employees throughout their careers with Hikma. The first stages of the programme are designed for entry-level positions and focus on developing productivity and general capabilities. Later stages of the programme target mid-level managers and leaders, focusing on developing effective managerial and project management skills.

### Expanding the Onwards Programme

As part of our effort to support local employment and the recruitment of high-potential employees, we continued to expand our Onwards Programme. The programme, implemented in Jordan, Egypt, the Kingdom of Saudi Arabia, Tunisia and Algeria, offers a set of intensive assessments and development exercises to identify local talent in fields relevant to the pharmaceutical industry.

Since launching the programme, 168 people have participated, with 38 subsequently joining Hikma as full time employees.

### Leadership development programmes

We provide targeted leadership development programmes so we can develop and retain our most high-potential leaders. In 2022, we launched three separate leadership training programmes focused on decision-making, team management and cultural awareness. 70 directors and senior leaders participated in these programmes in 2022.

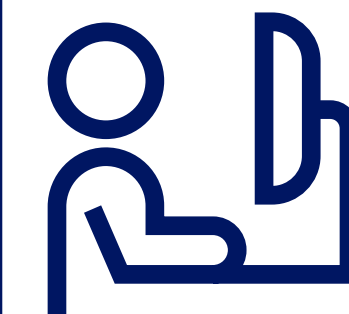
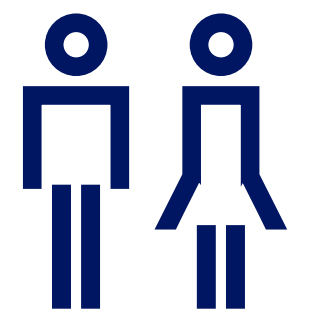
8

average learning hours per employee



4,400

active users across learning platforms (2021: 3,820)



8,400

video-based learning hours completed (2021: 13,000)

55,000

instructor-led learning hours for 35% of our employees (2021: 47,000)





## Empowering our people *continued*



### Continuing education (employee scholarship) programme

We have a global programme that provides partial or full scholarships to high-potential employees, allowing them to continue their education in fields valuable to the Group. In 2022 we offered 17 scholarships in fields such as data science, data analytics, digital marketing and management.

### Development of employees working in research and development-related fields

Employees working in R&D-related activities are critical for the continued innovation and sustained growth of our company. Consequently, we focus on activities and programmes that support their continuous development. Some of our initiatives that support the retention of employees working in R&D-related activities include:

- the development of a new training curriculum for junior and senior staff, set to be launched in 2023
- a succession plan specific to R&D, which will be implemented in 2023
- the launch in 2023 of a leadership programme for scientists and managers in R&D-related fields

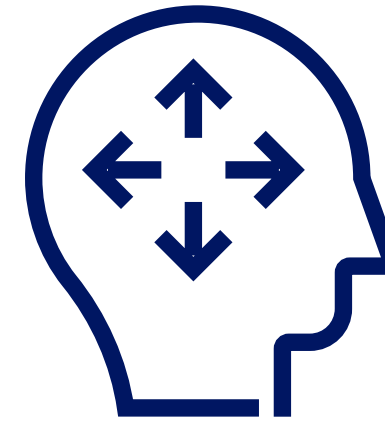


# 1,250

employees are currently participating in our Operations Academy

# 70

directors and senior leaders participated in development programmes in 2022



# 17

scholarships offered in fields such as data science, data analytics, digital marketing and management

## Ensuring employee health and safety

Ensuring the health and safety of our employees is paramount in everything that we do. Across all our locations, we adhere to stringent health and safety guidelines and monitor all work-related incidents. Our Health and Safety policy, published in 2021, highlights our commitment to protecting employees and to standardising how we measure work-related incidents.

Employee health and safety is governed at the site level, with standards and policies set by the Group. In 2022, we received ISO 45001 Occupational health and safety management system certification in ten out of 13 facilities in MENA, with two more facilities expected to achieve the certification in 2023.



You can find information on work-related metrics in our Data Summary 2022



### Case study

## Our Employee Assistance Programme for US employees

As part of our commitment to employee wellbeing, we provide our employees in the US with mental health tools and resources through the Employee Assistance Programme (EAP). The EAP is available to all employees and their dependants, regardless of whether they have health insurance through the Company. Additionally, digital mental health support platforms Sanvello™, Talkspace and [www.liveandworkwell.com](http://www.liveandworkwell.com) are available for employees who have health insurance through UnitedHealthcare. Through these platforms, our employees and their families can access effective tools to support their mental health and wellbeing.

- Sanvello™ is a top-rated self-help app that uses clinically validated techniques such as cognitive behavioural therapy to engage employees in their mental health
- Talkspace is a digital platform that can offer an effective alternative to face-to-face therapy
- [www.liveandworkwell.com](http://www.liveandworkwell.com) members have access to educational content about mental health, substance abuse, wellbeing, provider search options and more



Empowering our people *continued*

### Supporting diversity, equity and inclusion

We continued to advance diversity, equity and inclusion (DEI) across our global operations in 2022, furthering Hikma's commitment to a culture of progress and belonging that provides all employees with opportunities for personal and professional growth.

During the year, we evolved our DEI Committee, which is now chaired by two members of the Executive Committee. The DEI Committee will develop and steer a Group-wide DEI strategy, including the implementation of the voluntary target adopted by the Board and set by the FTSE Women Leaders Review, to increase the gender diversity of the leadership team (Executive Committee and senior direct reports) to a minimum of 35% women by the end of 2025, a target to increase the number of women in management positions in MENA by 9% in 2023, and have endorsed the United Nations Women's Empowerment Principles.

At the Board level, we currently meet the target set for ethnic diversity and exceed those for gender diversity as set by the Listing Rules.

We maintain an inclusive approach to recruitment, retention and promotion; ensuring that opportunities remain accessible to all. Much of the work we have done to promote DEI has been guided through our Employee Resource Groups (ERGs) including the Black Employees Advisory Board and the Hikma Women's Network.



Case study

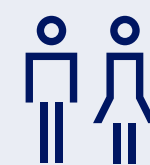
### Mentoring programme to empower women

We maintained our partnership with the Business and Professional Women Association (BPWA) in Jordan for the fourth consecutive year. Our Meet Ups programme is designed to mentor and empower women, featuring 'power meet ups' for women to discuss topics ranging from work-life balance, decision making, problem solving, time management and professional skills with their mentors. 32 women from Hikma participated in the 2022 cohort.

DEI Target

**35%**

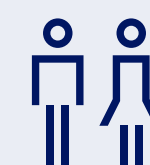
Achieve a minimum of 35% women in leadership positions by 2025



Interim targets

**9%**

Target of increasing the number of women in management positions in MENA by 9% in 2023



Case study

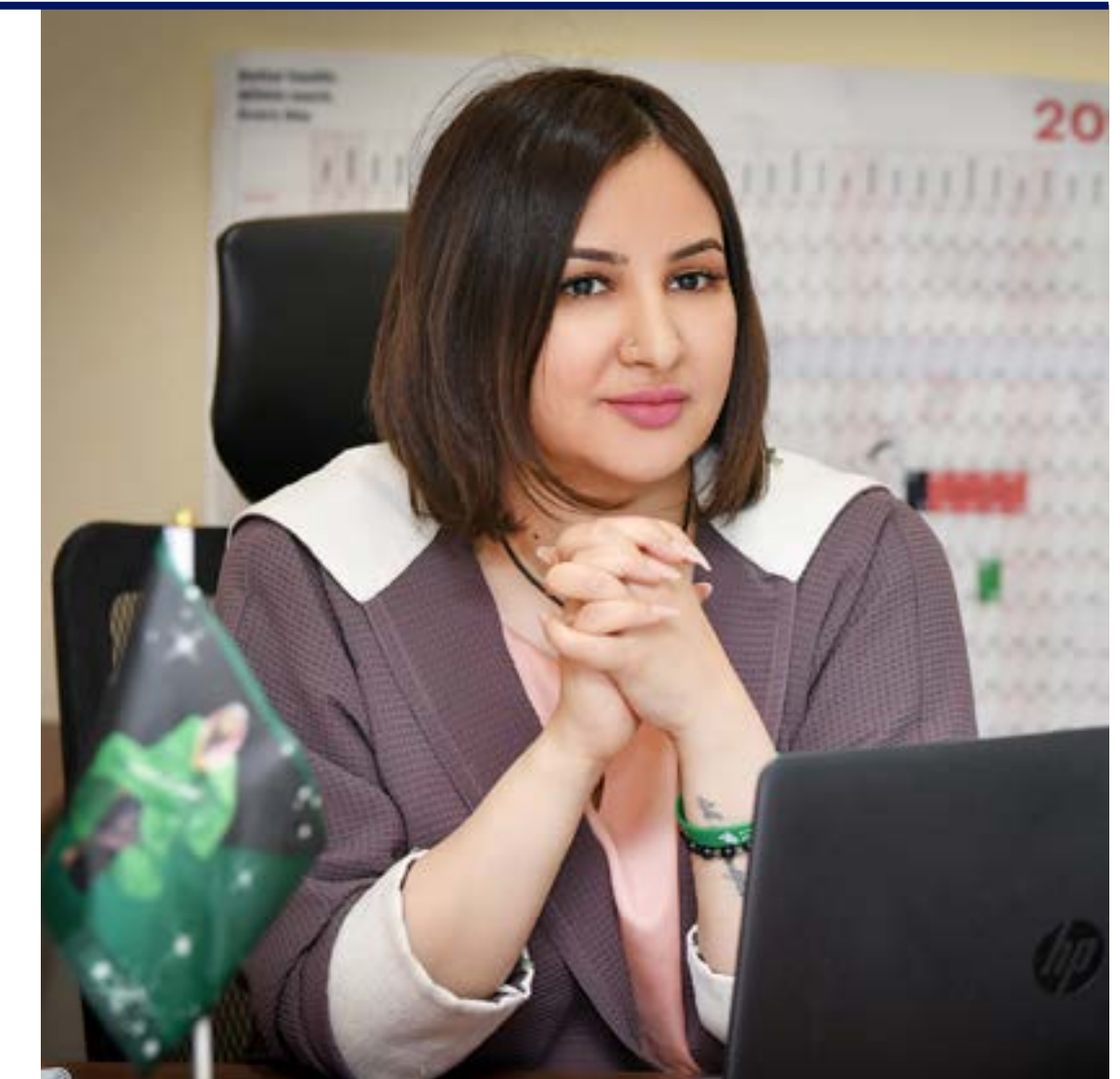
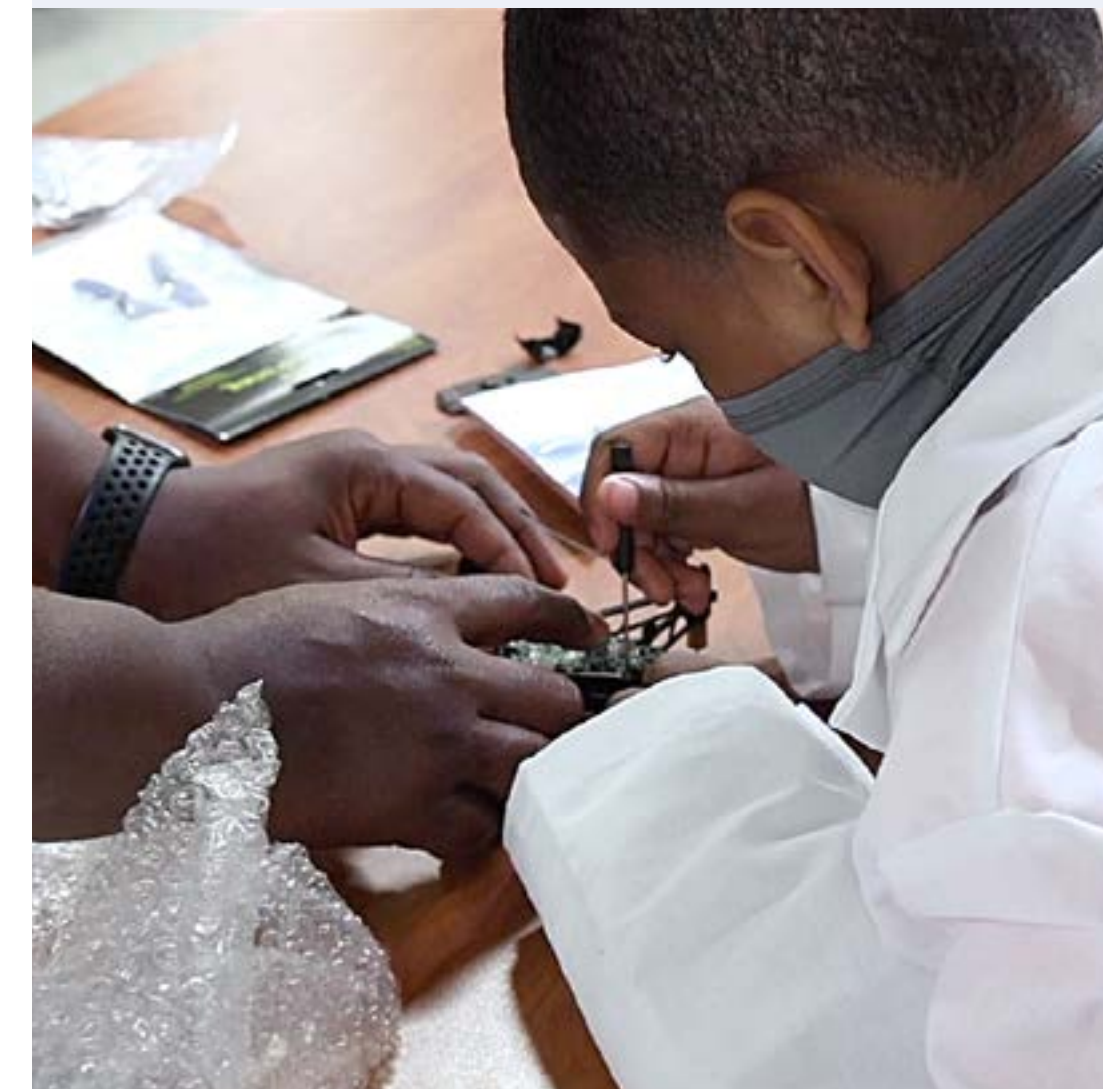
### Community outreach programme to support under-represented students in the US

To help prepare young under-represented US students for promising careers, our Black Employees Advisory Board piloted a community programme to build skills in science, technology, engineering and math (STEM).

In 2022, we expanded the programme to Summit, New Jersey and Anderson, Indiana, in partnership with Purdue University, where 60 new students will participate.



View a video for more information about the programme



Case study

### Women Physician Leadership Programme

We launched a new programme to support female medical doctors through the Jordanian Medical Syndicate as part of our commitment to empower women in society.

The Women Physician Leadership Programme supports female doctors with different specialisations, helping them develop the skills they need to advance their careers and to become leaders in the healthcare sector.



Empowering our people *continued*



Case Study

### Supporting the National African American Male Wellness Walk

In 2022, Hikma's Black Employees Advisory Board (BEAB), together with Hikma's Corporate Social Responsibility (CSR) team, once again supported the National African American Male Wellness Walk – Columbus.

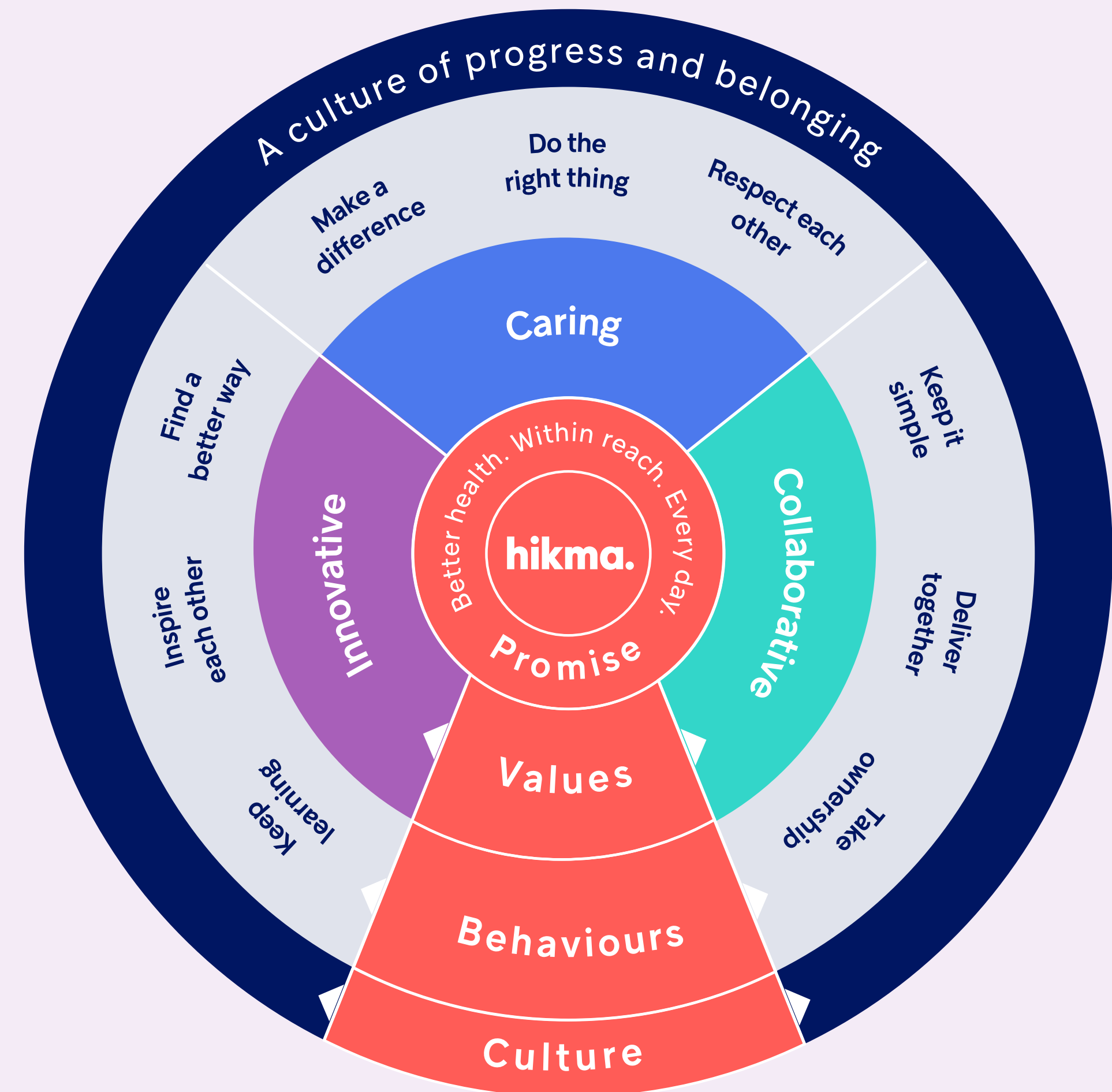
The Walk, which was open to all Hikma employees and their families, is hosted by the African American Male Wellness Agency, an organisation dedicated to raising awareness of the importance of living a healthier lifestyle among African American males. 55 employees along with their families participated in the event.

The National African American Male Wellness Walk Initiative (NAAMWWI) was established in 2004, 'to begin the process of making men understand, through prevention, one can live longer,' according to its founder John H. Gregory. Through the donations raised, thousands of men and families in Ohio and across the country have obtained free health screenings.

### A culture of progress and belonging

Our culture framework of progress and belonging helps us to articulate what we want to achieve and how we want to achieve it. We're a company that values progress and belonging. We recognise that by working together we can achieve more. We're one Hikma, supporting each other, driving onwards and pursuing our collective purpose: to put better health within reach, every day. Our three values drive our culture of progress and belonging:

- **We're innovative** – we progress through embracing new perspectives and inspiring each other
- **We're caring** – taking the time to build relationships that are grounded in understanding, fairness and respect
- And **we're collaborative** – never losing sight of the shared goals that unite us and drive us forward





Protecting the environment



# 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

### 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 assess sites where we have determined water security issues to be most material
- Continue accelerating supplier engagement to enhance our understanding of the sustainability of our supplier base



### 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 2022, our Scope 1 and 2 emissions (market-based) measured 123,144 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), a decrease of 9% compared to 2021. 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 2022, page 53.

#### Renewable Energy Certificates (RECs)

For the second consecutive year, we further reduced our carbon footprint by purchasing 35,000 MWh of Renewable Energy Certificates (RECs) in the US, representing a reduction of 14,671 tCO<sub>2</sub>e. Including the purchase of RECs, we reduced our overall Scope 1 and Scope 2 emissions (market-based) by 25% compared to our base year (2020). The RECs were certified under Green-e Renewable Energy standard for Canada and the United States v3.5, ensuring strong compliance with standards, quality assurance and proper oversight.

#### Measures to reduce emissions

We have expanded on-site solar panel generation at many of our sites. In Jordan, in addition to two of our office buildings that are mostly powered by solar panels, we are also finalising a project that we expect to absorb around 6% of our total energy needs in the country.

During 2022, we pursued energy audits at several of our major sites, including Portugal and Columbus, where we identified multiple projects that will improve energy efficiency and sustainability.

Across multiple sites in MENA, we have achieved ISO certifications for Environmental Management Systems (ISO 14001) and Energy Management Systems (ISO 50001). See the full list of sites that have achieved ESG-related ISO certifications in the Data Summary.



9%

decrease in Scope 1 and 2 emissions compared to 2021

35,000

MWh of Renewable Energy Certificates purchased



10

ISO 14001 certification achieved in ten sites



#### Target

25%

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



#### Interim targets

17%

Reduce Scope 1 and 2 emissions by 17% by the end of 2023, using a 2020 baseline. Complete energy audits in two MENA countries in 2023





## Protecting the environment *continued*



### Case study

## Recognition for environmental sustainability in Columbus

In 2021 the state of Ohio Environmental Protection Agency (EPA) recognised Hikma Columbus for exceptional achievements in environmental stewardship through its Encouraging Environmental Excellence (E3) programme. In 2022 our recognition was upgraded to the Gold level, driven by continued progress in areas including pollution prevention, energy efficiency, recycling and employee engagement. During the year, the Columbus site was also appointed to the Columbus Greenspot Advisory Board. Greenspot's mission is to inspire, educate and recognise households, businesses and community groups that adopt green practices. Through our partnership with American Electric Power (AEP), we installed electric vehicle charging ports at the main campus to encourage alternatives to gasoline. Six charging ports will reduce GHG emissions by an estimated 230 kg per month.

### Case study

## Achieving LEED certification for our new Jordan Head Office

In 2022, our new MENA Headquarters received the Leadership for Energy and Environmental Design (LEED) Gold rating. LEED is the most widely used and internationally recognised green building rating system that certifies buildings according to their ecological footprint upon their environment. To uphold LEED standards, our MENA Headquarters maintains high standards in conserving energy and water as well as promoting health and wellbeing.

## Our Scope 3 greenhouse gas emissions

We have been working on refining and improving 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 2021 Scope 3 emissions have been restated from 837,227 to 736,681 tCO<sub>2</sub>e.

In 2022, we also introduced two Scope 3 categories to our reporting scope which are relevant to our business: Business Travel (Category 6) and Employee Commuting (Category 7). In addition, we participated in a Scope 3 industry benchmark to assess our current practices alongside industry peers to identify opportunities to improve over time.

## Sustainable supply chain

We are committed to addressing the most salient social and environmental sustainability issues across our value chain. Our Supplier Code of Conduct, published in 2022, sets out our values and principles that define what we stand for, along with the high-quality standards we expect from our ourselves, partners and suppliers. The Code underpins our efforts to continue strengthening our relationships, empower collaboration and build trust between us and everyone we work with, driving improved performance across our value chain.

The Code also safeguards standards that we regard as essential and fundamental, including protecting human rights and ethical conduct, preventing modern slavery and addressing environmental issues. You can find the Code on our website.

Through our partnership with EcoVadis, we are improving our understanding of the sustainability maturity of our suppliers, currently covering 39% of our annual spend. During the year, we engaged with our procurement community and key suppliers to raise the collective awareness and understanding of the sustainability maturity level of our suppliers. We also engaged with our main materials suppliers to understand their goals to reduce carbon, move to renewable energy, and increase energy efficiencies in their production.

Our goal is to continue working with EcoVadis to increase the proportion of major spend suppliers that are screened for sustainability criteria, and to continue monitoring Scope 3 emissions.

## Water and waste management

Managing water and waste more sustainably is a core aspect of our sustainability strategy. During 2022, 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 2022

### 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



Building trust through quality in everything we do



# Building trust through quality in everything we do

Upholding ethical standards and acting with integrity



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

## Where we focus

- Maintaining high ethical standards within our organisation and across our value chain
- Upholding the principles of universal human rights and safeguarding against modern slavery practices
- Ensuring the highest standards of product and patient safety

## Our ambitions

- Achieve ISO 37001 – Anti-bribery management systems certification at the corporate level
- Continuing our collaboration with EcoVadis, a leader in independent sustainability ratings, to assess the management systems of our main and heightened risk suppliers for compliance with modern slavery protocols



## Operating responsibly and ethically

We are committed to upholding the highest ethical standards in the conduct of our global business operations. This is grounded in our culture of progress and belonging, and powered by our three core values: innovative, caring and collaborative.

### Performance

Our Code of Conduct, available in seven languages, sets out behaviours we expect from our employees as we conduct our business, and provides an overview of our legal, regulatory and ethical requirements. Our Code provides guidance to our employees and partners on the ethics of Hikma's business activities through the identification and discussion of various risks associated with our business.

Hikma employees, officers and directors are trained on the Code of Conduct as part of their induction and are provided refresher training periodically. The completion rate for our Code of Conduct training is 98%.

### Policies, procedures and processes

In addition to our Code, we have developed policies and procedures designed to help employees and third parties put our desired behaviours into practice. These policies and procedures are communicated to employees and third parties through training and are available on Hikma's learning management system and our intranet site.

Through our global compliance programme, we have adopted internal controls and management processes to ensure the responsible and ethical conduct of our business. This includes compliance with all relevant global and local laws, codes and regulations wherever we operate.

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 adverse media coverage and government sanctions.



# 98%

completion rate for our Code of Conduct training

## Maintaining our membership of the FTSE4Good Index

For the eighth consecutive year, we maintained our membership of the FTSE4Good Index Series – 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 and disclosing 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.

In 2022, we maintained our ESG score of 3.2, placing us in the 64th percentile compared to industry peers that are listed in the index. We continue to improve how we address and disclose information about our most relevant ESG topics.

# 3.2

This year, our FTSE4Good Index score was 3.2, placing us in the 64th percentile compared to other industry peer members



## Building trust through quality in everything we do *continued*

### Transparency and raising concerns

We believe in transparency and 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. Our Speak Up line provides both internal and external stakeholders a resource to confidentially raise concerns about suspected misconduct. All cases received are reviewed by our Legal and Compliance teams, and investigated, as appropriate, by Legal and Compliance personnel. Substantiated violations of our Code of Conduct or other policies and procedures are addressed through our disciplinary procedures.

### Bribery and corruption zero tolerance

We have a zero tolerance policy for bribery and corruption at Hikma. 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.

Our Compliance, Responsibility and Ethics Committee (CREC), a Board-level committee, provides oversight of our global compliance programme and the management of associated risks, including bribery and corruption. The Committee receives regular updates on the internal auditing and monitoring programme conducted by our compliance team. In addition, the Committee retains independent third parties to conduct periodic audits of the compliance programme and related activities.

### Defending the principles of human rights

We are committed to protecting human rights and upholding the principles of the Modern Slavery Act 2015 (MSA). We take measures to ensure that modern slavery in the form of slavery, servitude, forced or compulsory labour and human trafficking is not taking place in any part of Hikma's business or in those of our partners and suppliers.

Our organisation is dedicated to achieving best practices across our operations, including our supply chain, and we work alongside our industry partners to uphold ethical labour practices and safeguard human rights.

### Safeguarding against modern slavery practices

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.

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.

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 2022.

### 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.





Building trust through quality in everything we do *continued*

## Product quality and safety

**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 comprehensive 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 life cycle 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.

### Our approach to patient safety

Patient safety is a fundamental principle for us. We're committed to continuously collecting and evaluating information about the safety of our products so that we can take proactive measures to minimise risks to our patients in compliance with worldwide pharmacovigilance regulations and requirements.

All our employees are part of our pharmacovigilance system and are responsible for immediately reporting any adverse event or other safety report in association with our products to the Pharmacovigilance Function. This ensures all safety reports are promptly assessed and medically reviewed, and where required, reported to the appropriate regulatory authorities within the safety reporting timelines.

We have globally aligned processes and procedures to detect, evaluate and communicate any change to the benefit-risk balance of our products and to take appropriate actions to protect patients' and public health. Our Drug Safety Committee reviews and evaluates any safety concerns and alerts the regulatory authorities of any emerging safety issues.





## Building trust through quality in everything we do *continued*



We conduct our pharmacovigilance activities globally, for all our approved compounds (over 650), throughout the products' life cycle, and in accordance with requirements of good pharmacovigilance practice, local regulations and agreements with our contractual partners. All our employees receive induction and continuous training on how to report an adverse event or other safety report. In October 2022, we rolled out a Hikma-wide refresher PV 101 eLearning Mandatory Course in six languages (Arabic, English, French, German, Italian, and Portuguese); the completion rate is 90% for staff and 89% for senior management.

Patient safety is monitored at the highest levels of our Company. To ensure we remain compliant with pharmacovigilance requirements worldwide, we consistently monitor our pharmacovigilance compliance metrics and review these monthly in the Global Pharmacovigilance Monthly Meeting. We also monitor any deviations from requirements and investigate the root causes of deviations identified. For identified deviations, we assess their impact and monitor the implementation and effectiveness of the actions taken to eliminate non-conformities.

In addition, we perform internal audits as part of our pharmacovigilance audit strategy and yearly audit programme. Internal audits cover all processes and activities performed by our Global Pharmacovigilance Team, affiliates and third parties including service providers, and distributors.

Our pharmacovigilance compliance metrics and any findings identified during continuous compliance monitoring, pharmacovigilance audits and inspections and their related corrective and preventive actions (CAPA) and status are monitored and reviewed in the Pharmacovigilance-Quality Quarterly Meeting.

In addition, our pharmacovigilance compliance metrics and CAPAs status are presented to the Executive Committee and Board of Directors twice a year.

In 2022, we added France and Canada to our global pharmacovigilance system and migrated over 80 pharmacovigilance standard operating procedures (SOPs) to Veeva Vault. In addition, we introduced improvements to our processes and created and revised 40 SOPs.

We also launched the integration between Ruby, our global product portfolio database, and Hikma.com website to provide the public with the most updated information about Hikma products.

To ensure we continuously deliver our critical pharmacovigilance activities, we have a Global Pharmacovigilance Business Continuity Plan (BCP), which was revised in June 2022.

### How we perform

In 2022, we processed more than 9,000 individual case safety reports in association with our products from several sources, including spontaneous reports from healthcare professionals and consumers, and Hikma-sponsored clinical studies. We reported more than 6,500 cases to regulatory authorities worldwide, and prepared and submitted over 850 aggregate reports for our approved compounds.

In 2022, our submission compliance rate was 96% for cases and 100% for aggregate reports. In addition, we conducted five audits (one affiliate, one process, two service providers, and one distributor), and underwent five audits.

### Our ambitions

As part of our continuous improvement process, our 2023 goals include transitioning to a new quality management system for deviations, audits and inspections. Our aim is to reduce manual effort and increase compliance and increase compliance and oversight of the performance of PV activities globally. This will ensure compliance with the requirements of good pharmacovigilance practices (GVP), local regulations, and agreements with contractual partners.



You can find more information about this in the Data Summary



# Sustainability data summary 2022

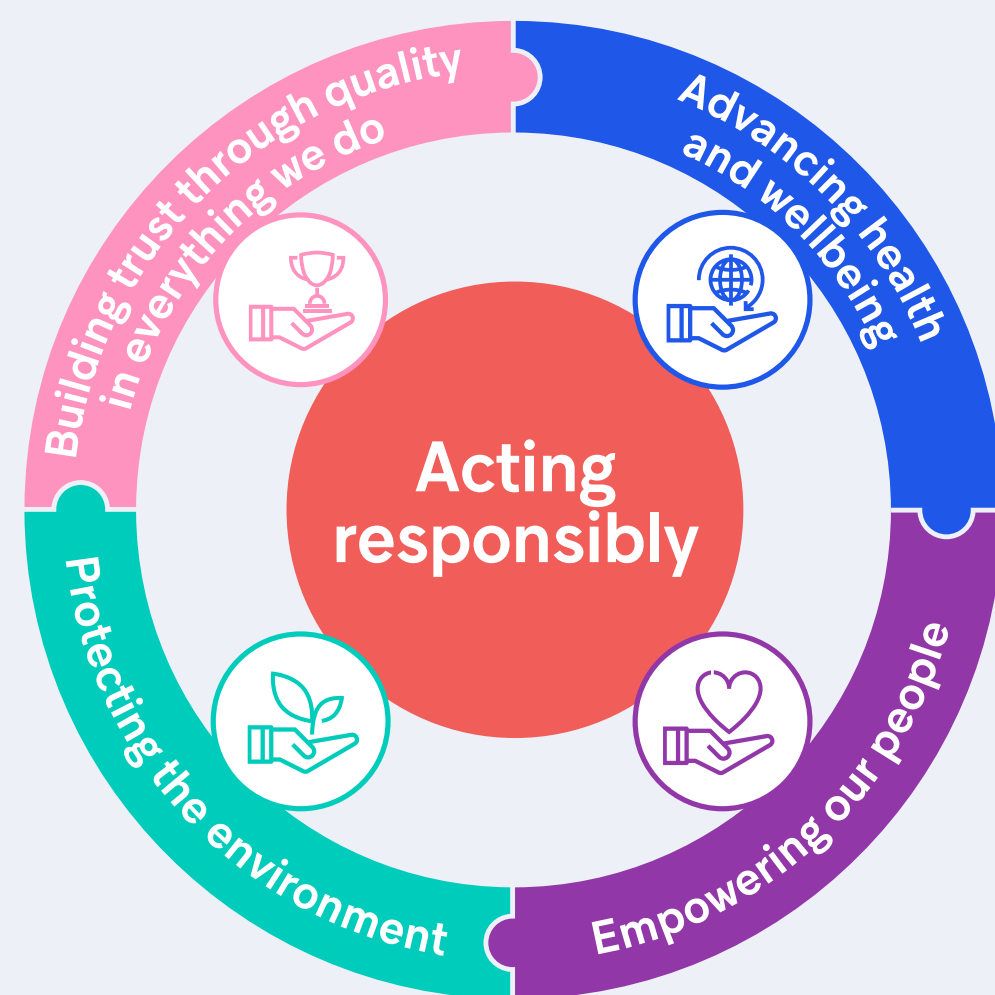
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 Protecting the environment	34
 Building trust through quality in everything we do	41





# 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.





## Sustainability data summary 2022



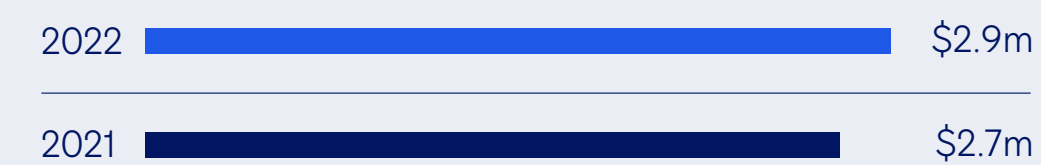
# Advancing health and wellbeing

Providing better healthcare and supporting our communities

## Medicine donations by year (COGS) \$m



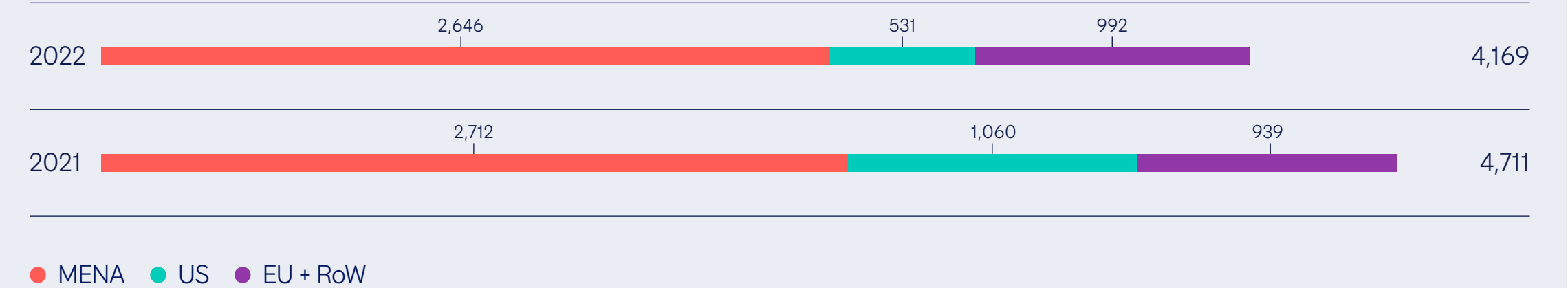
## Sponsorships and monetary donations



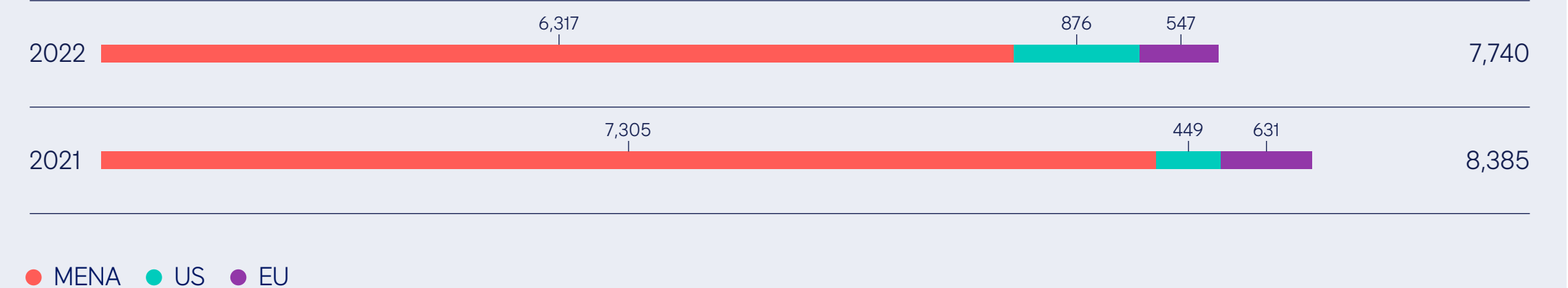
## Total community engagement activities



## Number of employee volunteers, by region



## Number of employee volunteering hours, by region



## Research and development

	2022 submissions <sup>1</sup>	2022 approvals <sup>1</sup>	2022 launches <sup>1</sup>
Injectables	149	129	100
– US	14	15	12
– MENA	77	59	41
– Europe + ROW	58	55	47
Branded	193	136	79
Generics	7	5	3
Total	349	270	182

<sup>1</sup> Pipeline projects submitted, approved and launched by country in 2022



## Sustainability data summary 2022



# Empowering our people

Shaping an inclusive culture where everyone can thrive

## General employee information

	2020	2021	2022
Full time employees <sup>1</sup>	8,559	8,591	<b>8,536</b>
– MENA & Corporate Jordan	5,484	5,445	<b>5,430</b>
– USA	2,042	2,065	<b>1,939</b>
– EU + ROW (India, Canada & China)	1,033	1,081	<b>1,167</b>
– Percentage of employees in Managerial roles <sup>2</sup>	12%	13%	<b>13%</b>
– Percentage of employees in Professional and Worker roles <sup>3</sup>	85%	86%	<b>86%</b>
Whether more than 10% of workforce or more than 1,000 employee are affected by layoffs or mergers/acquisitions	No	No	<b>No</b>

## Recruitment, retention and promotion

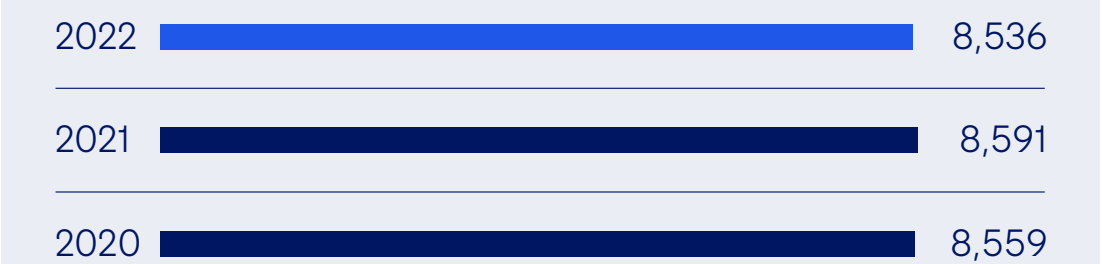
	2020	2021	2022
Number of new employee hires	911	1,033	<b>1,289</b>
– Men	541	638	<b>665</b>
– Women	366	386	<b>501</b>
– Unspecified gender	4	9	<b>123</b>
Voluntary turnover	576	875	<b>1,040</b>
– Voluntary turnover – Men	345	527	<b>587</b>
– Voluntary turnover – Women	231	346	<b>429</b>
– Voluntary turnover – unspecified gender	0	2	<b>24</b>
Voluntary turnover rate	7%	10%	<b>12%</b>
– Voluntary turnover rate – Men	4%	6%	<b>7%</b>
– Voluntary turnover rate – Women	3%	4%	<b>5%</b>
– Voluntary turnover rate – unspecified gender	0%	0%	<b>0%</b>

<sup>1</sup> Excludes employees at the International Pharmaceutical Research Centre (IPRC) and Arab Medical Containers (AMC) in Jordan

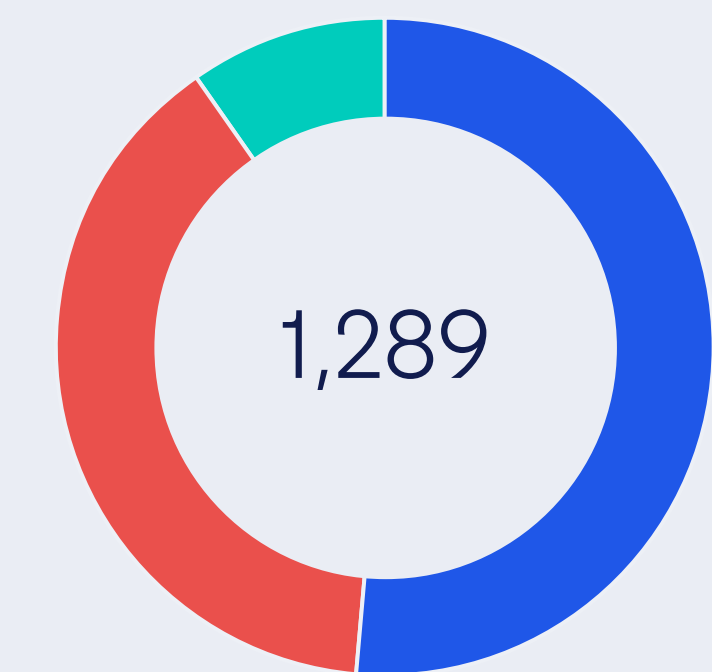
<sup>2</sup> Managerial roles represent employee levels F-I

<sup>3</sup> Professionals and workers represent employee levels A-E

## Full time employees



## Number of new employee hires: 2022



Men	665 (52%)
Women	501 (39%)
Unspecified gender	123 (10%)

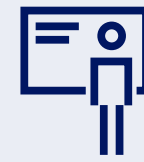


## Sustainability data summary 2022

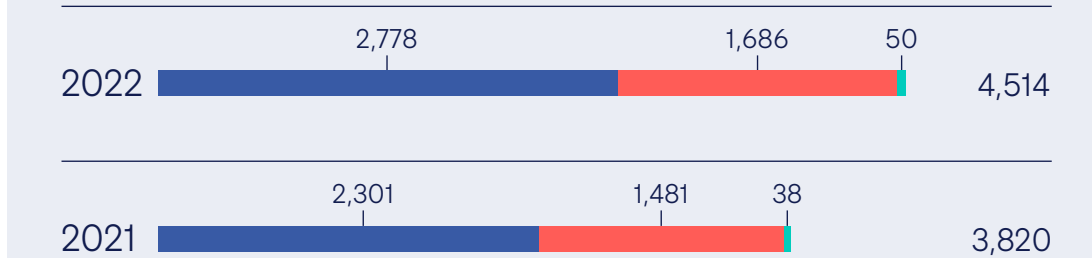
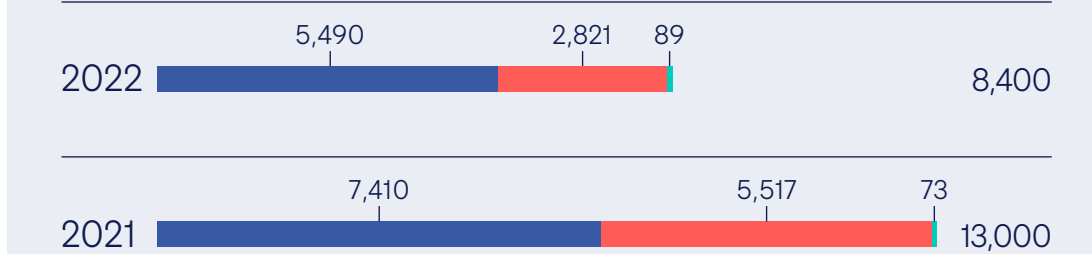
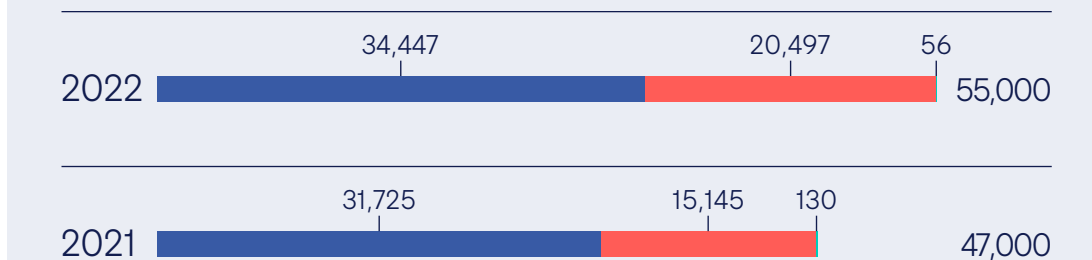
L&amp;D Target

**8 hours**

Maintain more than eight hours of training annually per employee

**Learning and development**

	2021	2022
Average hours of training	7.6	<b>8.1</b>
– Men	7.6	<b>7.9</b>
– Women	7.7	<b>8.5</b>
– Unspecified gender	NA	<b>NA</b>
Active users across learning platforms	3,820	<b>4,400</b>
– Men	2,301	<b>2,708</b>
– Women	1,481	<b>1,643</b>
– Unspecified gender	38	<b>49</b>
Video-based learning hours completed	13,000	<b>8,400</b>
– Men	7,410	<b>5,490</b>
– Women	5,517	<b>2,821</b>
– Unspecified gender	73	<b>89</b>
Instructor-led learning hours	47,000	<b>55,000</b>
– Men	31,725	<b>34,447</b>
– Women	15,145	<b>20,497</b>
– Unspecified gender	130	<b>56</b>
Number of active employee continuing education scholarships	NA	<b>25</b>

**Number of active employee users across learning platforms****Number of video-based learning hours****Number of instructor-led learning hours**

● Men ● Women ● Unspecified gender

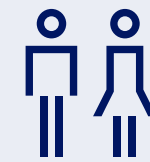


## Sustainability data summary 2022

DEI Target

**35%**

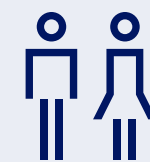
Achieve a minimum of 35% women in leadership positions by 2025



Interim targets

**9%**

Target of increasing the number of women in management positions in MENA by 9% in 2023

**Diversity, equity and inclusion**

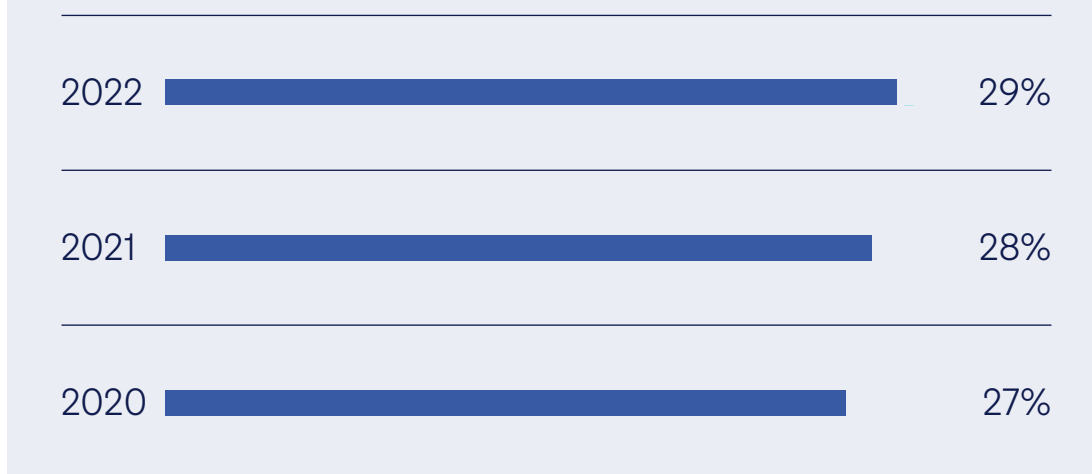
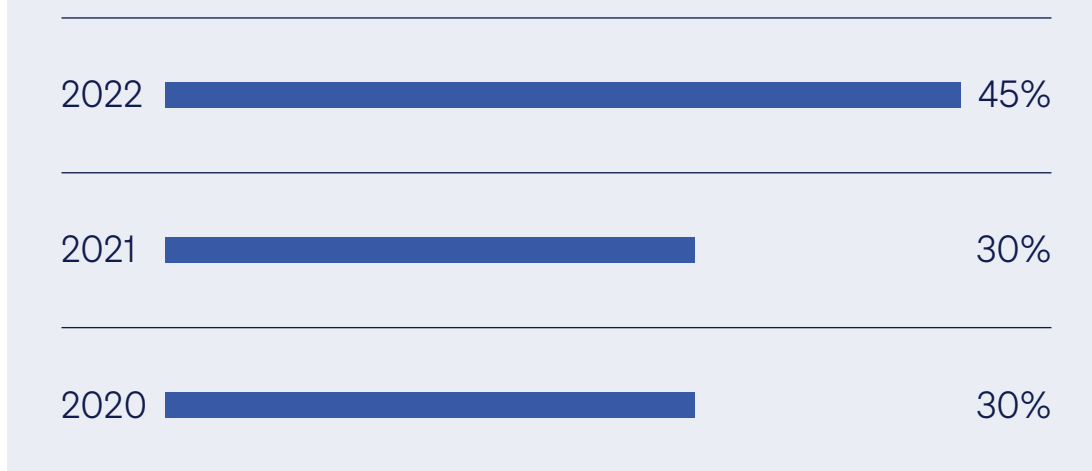
	2020	2021	2022
Total number of women (full time employees)	2,967	2,977	<b>2,968</b>
– Percentage of total headcount	35%	35%	<b>35%</b>
Number of women in Managerial roles	275	297	<b>309</b>
Percentage of employees in Managerial roles that are women	27%	28%	<b>29%</b>
Number of women in Professional and Worker roles	2,584	2,692	<b>2,613</b>
Percentage of employees in Professional and Worker roles that are women	35%	36%	<b>36%</b>
Number of women on the Board	3	3	<b>5</b>

**Ethics and compliance**

	2020	2021	2022
Percentage of employees that have conducted Code of Conduct training	98%	98%	<b>98%</b>

**Employee health and safety**

	2020	2021	2022
Number of injuries that resulted in lost time	82	103	<b>104</b>
Lost time injury rate (per 200,000 hours worked)	1.13	1.37	<b>1.46</b>
Number of fatalities	0	0	<b>0</b>
Fatality rate	0	0	<b>0</b>

**Percentage of employees in Managerial roles that are women****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



Interim targets

# 17%

Reduce Scope 1 and 2 emissions by 17% in 2023 using a 2020 baseline. Complete energy audits in two MENA countries in 2023



### GHG emissions<sup>1</sup> (tCO<sub>2</sub>e)

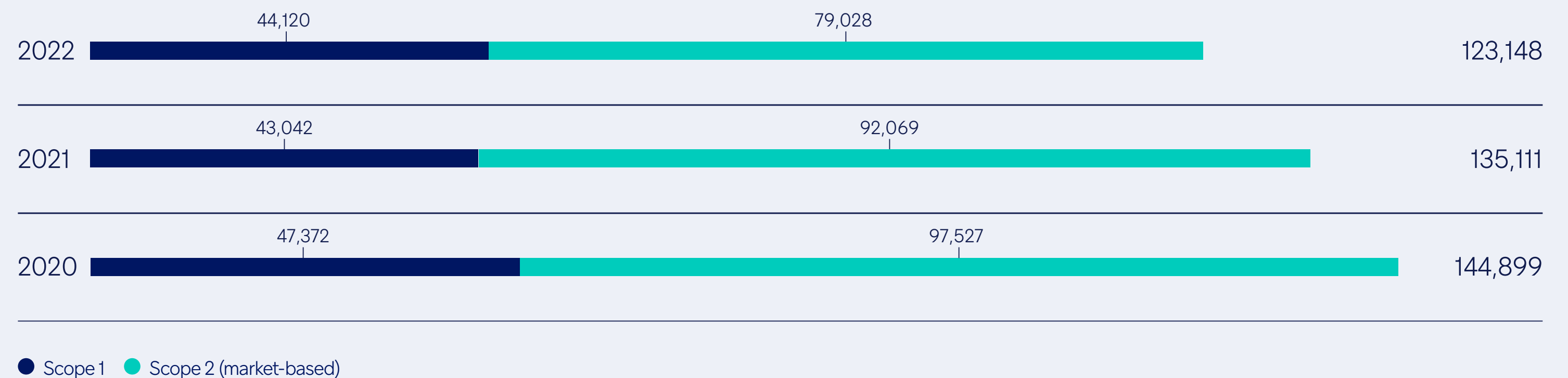
	2020	2021 <sup>2</sup>	2022 <sup>3</sup>
Scope 1 – Combustion of fuel and operation of facilities	47,372	43,042	<b>44,120</b>
Scope 2 (market-based) – Electricity	97,527	92,069	<b>79,028</b>
<b>Total Scope 1 and 2 emissions (market-based)</b>	144,899	135,111	<b>123,148</b>
<b>Year-on-year change in Scope 1 and 2 emissions (market-based)</b>	N/A	(7%)	<b>(9%)</b>
<b>Change in Scope 1 and 2 emissions (market-based) since base year 2020</b>	N/A	(7%)	<b>(15%)</b>
Scope 2 (location-based) – Electricity	94,949	84,708	<b>80,490</b>

1 We have not included RECs in our calculation of the total emission reduction achieved in 2022 as it relates to our emission reduction target

2 Emissions for 2021 have been restated by +3% as we continue to improve our monitoring and analysis of environmental metrics

3 Emissions for 2022 are updated from the Annual Report 2022 data, reflecting actual consumption for the 2022 full year

### GHG emissions (tCO<sub>2</sub>e)

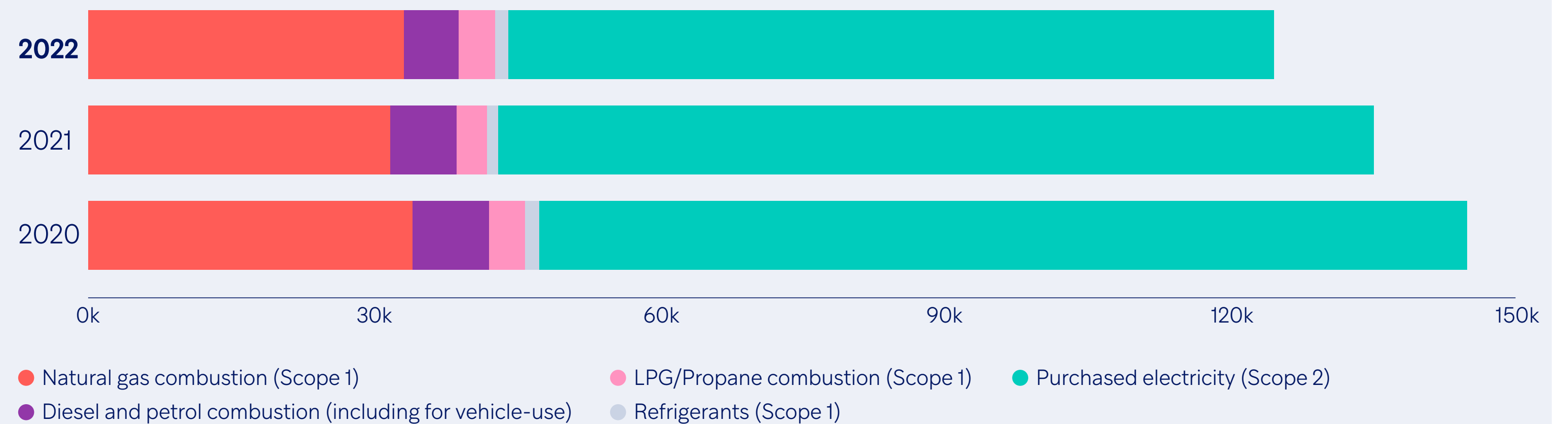




## Sustainability data summary 2022

Protecting the environment *continued*

## GHG emissions breakdown by source (market-based)



## Renewable Energy Certificates (RECs) purchase

In 2021 and 2022, we reduced our carbon footprint by purchasing 35,000 MWh of Renewable Energy Certificates (RECs) in the US, representing a reduction of 14,671 tCO<sub>2</sub>e. The RECs were certified under Green-e Renewable Energy Standard for Canada and the United States v3.5 ensuring strong compliance with standards, quality assurance and proper oversight.

GHG emissions (tCO<sub>2</sub>e) – Renewable Energy Certificate (REC) purchase

	2022
Emissions impact of RECs	(14,670)
Scope 2 (market-based) – Electricity	79,028
Scope 2 (market-based) – Electricity including RECs	64,358
Scope 1 – Combustion of fuel and operation of facilities	44,120
Total Scope 1 and 2 emissions (market-based) including RECs	108,478
Year-on-year change in Scope 1 and 2 emissions (market-based) including RECs	(10%)
Change in Scope 1 and 2 emissions (market-based) since base year including RECs	(25%)



## Sustainability data summary 2022

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.

<b>Emissions intensity: revenue (\$m)<sup>1</sup></b>	2020	2021	2022
Scope 1 and 2 emissions (market-based) / Group revenue	61.9	47.1	<b>43.1</b>
Scope 1 and 2 emissions (location-based) / Group revenue	60.8	50.0	<b>49.5</b>

<b>Emissions intensity: headcount<sup>2</sup></b>	2020	2021	2022
Scope 1 and 2 emissions (market-based) / headcount	16.9	15.7	<b>14.4</b>
Scope 1 and 2 emissions (location-based) / headcount	16.6	14.9	<b>14.6</b>

**UK Office emissions<sup>3</sup>**

	2021	2022
Emissions total (tCO <sub>2</sub> e)	187	<b>202</b>
As percentage of Group	0.13%	<b>0.16%</b>

1 Emissions intensity by revenue is calculated using Group-wide revenue (\$m)

- Group revenue 2020: 2,341
- Group revenue 2021: 2,553
- Group revenue 2022: 2,517

2 Emissions intensity by headcount is calculated using Group-wide headcount

- Group headcount 2020: 8,600
- Group headcount 2021: 8,700
- Group headcount 2022: 8,800

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



## Sustainability data summary 2022

Protecting the environment *continued*GHG emissions, Scope 3 (tCO<sub>2</sub>e)

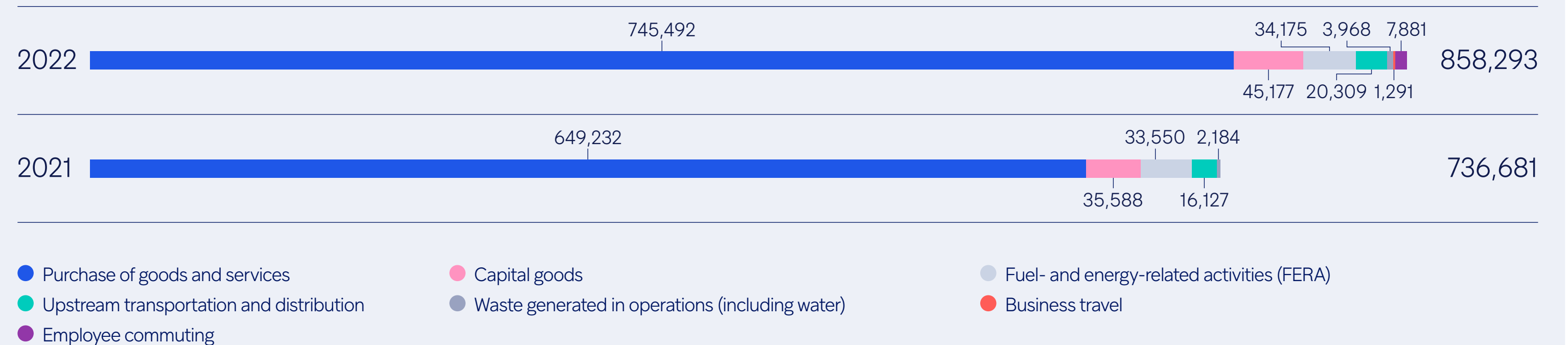
Scope 3 category	Category description	2021	2022
1	Purchase of goods and services <sup>1</sup>	649,232	<b>745,492</b>
2	Capital goods <sup>1</sup>	35,588	<b>45,177</b>
3	Fuel & energy related activities not included in Scope 1 or Scope 2 <sup>2</sup>	33,550	<b>34,175</b>
4	Upstream transportation and distribution <sup>1</sup>	16,127	<b>20,309</b>
5	Waste generated in operations (including water) <sup>2</sup>	2,184	<b>3,968</b>
6	Business travel <sup>1</sup>	N/A	<b>1,291</b>
7	Employee commuting <sup>2</sup>	N/A	<b>7,881</b>
<b>Total<sup>3</sup></b>		736,681	<b>858,293</b>

1 Limited assurance of the Sievo Oy CO<sub>2</sub> analytics module and methodology by EY. The full assurance statement can be found at [www.hikma.com/sustainability](http://www.hikma.com/sustainability). Increases between 2021 and 2022 in Capital goods emissions were driven by an increase in sourcing of raw materials to build more resilience within our supply chain and to support our growth

2 Reasonable assurance of the data through EcoAct. The full assurance statement can be found at [www.hikma.com/sustainability](http://www.hikma.com/sustainability)

3 Total for 2021 excludes Categories 6 and 7 as these were not part of our reporting boundary at the time

### GHG emissions, Scope 3 (tCO<sub>2</sub>e)





## Sustainability data summary 2022

**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 2022 to include actual data for October to December 2022. 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 2021 emissions, which are now 3% higher than what was originally reported in our Sustainability Report 2021. More information on this restatement and our data management methodology can be found here [www.hikma.com/sustainability](http://www.hikma.com/sustainability).

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.

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 'CO<sub>2</sub> Analytics' tool (the Tool) as of 21 January 2022.

The full verification statements can be found here [www.hikma.com/sustainability](http://www.hikma.com/sustainability).



Sustainability data summary 2022

Protecting the environment *continued*

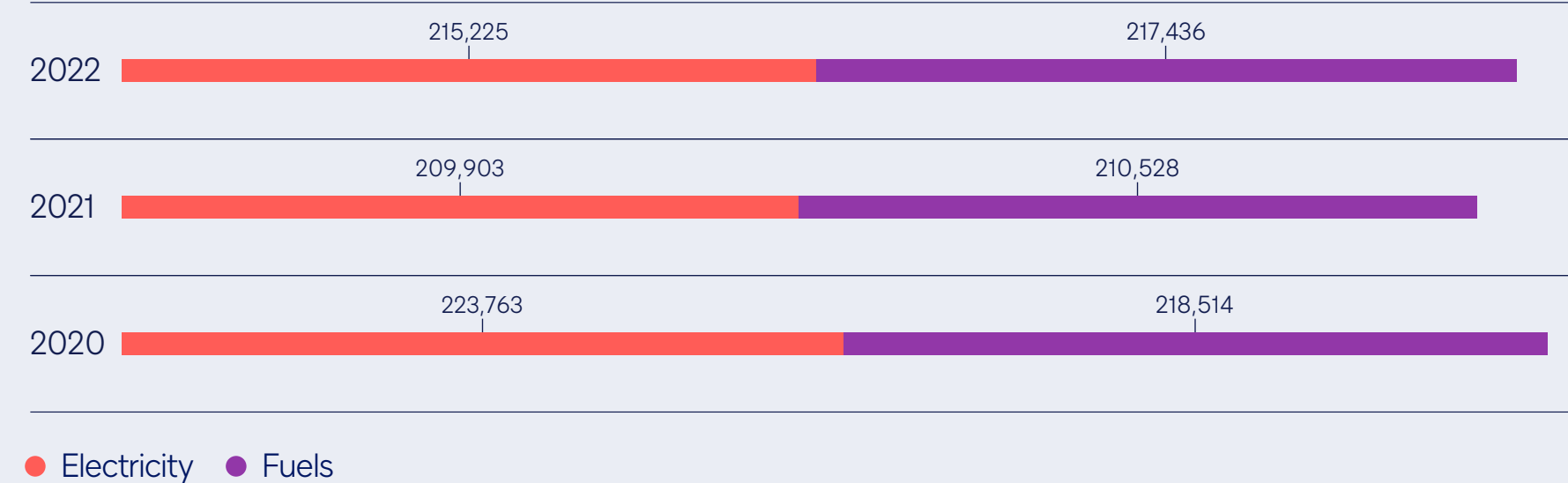
Energy consumption (MWh)

	2020			2021 <sup>1</sup>			2022 <sup>2</sup>		
	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
Fuels	871	217,644	218,514	882	209,646	210,528	882	216,554	217,436

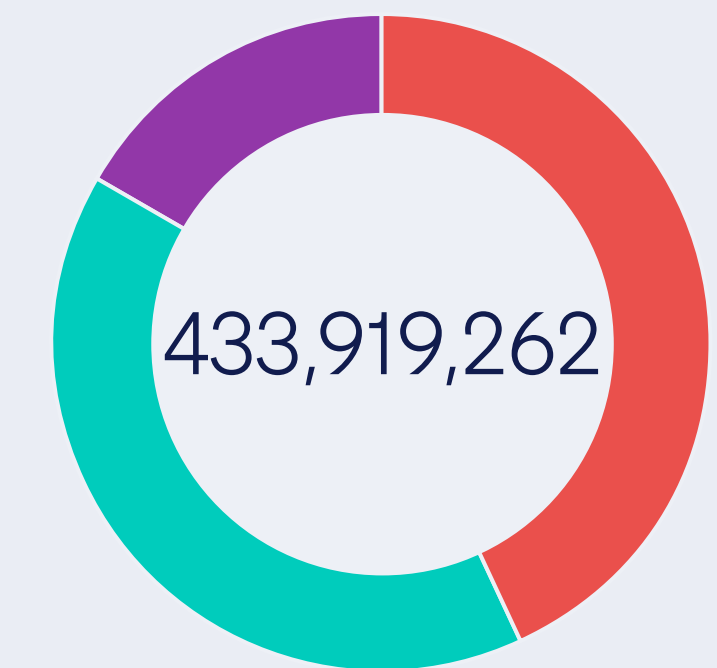
1 Energy consumption for 2021 has been restated by +3% as we continue to improve our monitoring and analysis of environmental metrics

2 Energy consumption for 2022 is updated from the Annual Report 2022 data, reflecting actual consumption for the 2022 full year

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



Energy consumption (MWh) by region – 2022



North America	187,571,587
MENA	175,149,109
EU and RoW	71,198,566



## Sustainability data summary 2022

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 (m<sup>3</sup>)

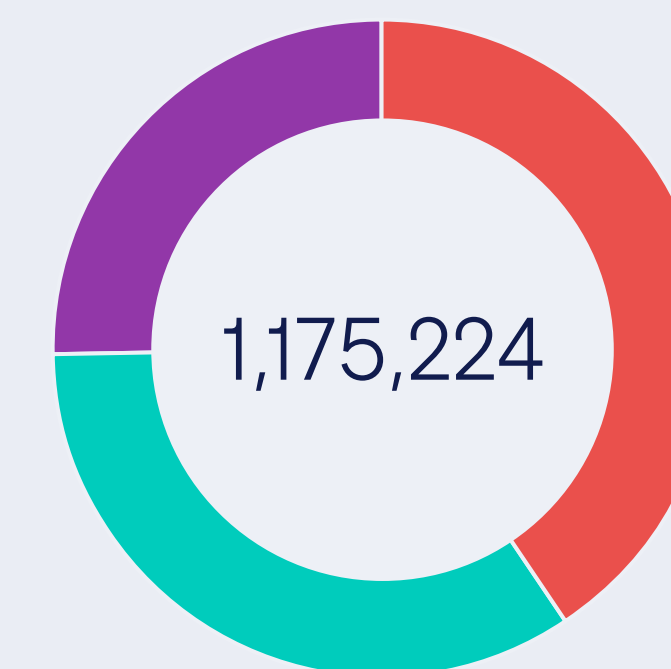
		2021	2022
Water			
Extracted water consumption	m <sup>3</sup>	1,064,479	<b>1,175,224</b>
Treated water consumption	m <sup>3</sup>	73,306	<b>80,100</b>
Discharged water consumption	m <sup>3</sup>	689,533	<b>853,279</b>
Waste generated	Tonnes	8,890	<b>13,275</b>

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

## 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
<b>Hikma Jordan</b>	Jordan	✓	✓	✓
<b>APM Sahab</b>	Jordan	✓	✓	
<b>APM Salt</b>	Jordan	✓	✓	
<b>AMC</b>	Jordan	✓	✓	
<b>JPI</b>	Saudi Arabia	✓	✓	
<b>6 October</b>	Egypt	✓	✓	✓
<b>HSP</b>	Egypt	✓	✓	✓
<b>HPI</b>	Egypt	✓	✓	✓
<b>IAB</b>	Tunisia	✓	✓	
<b>Medicef</b>	Tunisia	✓	✓	

Water consumption by region (m<sup>3</sup>)  
– 2022

North America	477,858
MENA	401,982
EU and RoW	295,384





# 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
External audits	116	<b>118</b>
Internal audits	28	<b>26</b>

## Worldwide pharmacovigilance compliance with reporting requirements

	2017	2018	2019	2020	2021	2022
Individual case safety reports submission compliance rate	91%	94%	99%	98%	99%	<b>96%</b>
Aggregate reports submission compliance rate	98%	98%	96%	100%	99%	<b>100%</b>

## 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 maintain an average of 60% spend on local suppliers between 2021 and 2022. 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.

In 2022, we began assessing major spend suppliers for environmental criteria, covering 39% of our total annual spend. In 2023, we aim to increase our penetration of supplier screening for environmental criteria.



# 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.**

Aligning with the United Nations Global Compact	43
SASB index	44
GRI index	45





# 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 25

## Labour

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



Read more on page 25

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



Read more on page 25

**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 2021, Aligning with the TCFD

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



Read more on page 22

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



Read more on page 22

## Anti-corruption

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



Read more on page 24



## Appendix

# 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	Theme	Description	Our response
HC-BP-210a.1	Safety of clinical trial participants	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Sustainability Report 2022, pages 26-27
HC-BP-240a	Access to Medicines	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Sustainability Report 2022, pages 10-13
HC-BP-260a.2	Counterfeit Drugs	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Hikma Code of Conduct
HC-BP-270a.2	Ethical Marketing	Description of code of ethics governing promotion of off-label use of products	Hikma Code of Conduct
HC-BP-330a.1	Employee recruitment, development and retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Sustainability Report 2022, page 19
HC-BP-330a.2	Employee recruitment, development and retention	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	Sustainability Report 2022, page 31
HC-BP-510a.2	Business Ethics	Description of code of ethics governing interactions with health care professionals	Hikma Code of Conduct



# 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
<b>General disclosures</b>	
Disclosure 2-1 Organisational details	Annual Report 2022, page 200
Disclosure 2-2 Entities included in the organisation's sustainability reporting	Annual Report 2022, page 190
Disclosure 2-3 Reporting period, frequency and contact point	Hikma publishes its Sustainability Report annually.  This report contains information relevant to 1 January, 2022 to 31 December, 2022.  Contact information: sustainability@hikma.com
Disclosure 2-4 Restatements of information	Sustainability Report 2022, pages 34-40
Disclosure 2-5 External assurance	<a href="https://www.hikma.com/sustainability">https://www.hikma.com/sustainability</a>
Disclosure 2-6 Activities, value chain and other business relationships	Annual Report 2022
Disclosure 2-7 Employees	Sustainability Report 2022, page 31
Disclosure 2-9 Governance structure and composition	Annual Report 2022, pages 72-129
Disclosure 2-10 Nomination and selection of the highest governance body	Annual Report 2022, pages 86-88
Disclosure 2-11 Chair of the highest governance body	Annual Report 2022, page 81
Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 2022, pages 74-85
Disclosure 2-13 Delegation of responsibility for managing impacts	Annual Report 2022, page 51
Disclosure 2-14 Role of the highest governance body in sustainability reporting	Annual Report 2022, page 51
Disclosure 2-15 Conflicts of interest	Annual Report 2022, pages 72-129
Disclosure 2-16 Communication of critical concerns	Annual Report 2022, pages 72-129
Disclosure 2-17 Collective knowledge of the highest governance body	Annual Report 2022, pages 72-129
Disclosure 2-18 Evaluation of the performance of the highest governance body	Annual Report 2022, pages 72-129
Disclosure 2-19 Remuneration policies	Annual Report 2022, pages 72-129



## Appendix

Disclosure	Our response
Disclosure 2-20 Process to determine remuneration	Annual Report 2022, pages 95-129
Disclosure 2-21 Annual total compensation ratio	Annual Report 2022, page 110
Disclosure 2-22 Statement on sustainable development strategy	Sustainability Report 2022, page 4
Disclosure 2-23 Policy commitments	Sustainability Report 2022
Disclosure 2-24 Embedding policy commitments	Sustainability Report 2022
Disclosure 2-25 Processes to remediate negative impacts	Sustainability Report 2022
Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Annual Report 2022, page 93
Disclosure 2-28 Membership associations	Annual Report 2022, page 22
Disclosure 2-29 Approach to stakeholder engagement	Annual Report 2022, pages 18-23
Disclosure 2-30 Collective bargaining agreements	Sustainability Report 2022, page 25
<b>Disclosure on material topics</b>	
Disclosure 3-1 Process to determine material topics	Sustainability Report 2022, page 6
Disclosure 3-2 List of material topics	Sustainability Report 2022, page 6
<b>Economic performance</b>	
Disclosure 201-1 Direct economic value generated and distributed	Annual Report 2022, page 140
Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Annual Report 2022, pages 52-57
Disclosure 201-3 Defined benefit plan obligations and other retirement plans	Annual Report 2022, page 173
<b>Indirect economic impacts</b>	
Disclosure 203-1 Infrastructure investments and services supported	Annual Report 2022, page 33



## Appendix

Disclosure	Our response
<b>Procurement Practices</b>	
Disclosure 204-1 Proportion of spending on local suppliers	Sustainability Report 2022, page 41
<b>Anti-corruption</b>	
Management of material topics	Sustainability Report 2022, page 24
<b>Energy</b>	
Disclosure 302-1 Energy consumption within the organisation	Sustainability Report 2022, page 39
Disclosure 302-2 Energy consumption outside of the organisation	Sustainability Report 2022, page 39
Disclosure 302-3 Energy intensity	Sustainability Report 2022, page 39
Disclosure 302-4 Reduction of energy consumption	Sustainability Report 2022, page 39
<b>Water and effluents</b>	
Disclosure 303-3 Water withdrawal	Sustainability Report 2022, page 40
Disclosure 303-4 Water discharge	Sustainability Report 2022, page 40
Disclosure 303-5 Water consumption	Sustainability Report 2022, page 40
<b>Emissions</b>	
Disclosure 305-1 Direct (Scope 1) GHG emissions	Sustainability Report 2022, pages 34-38
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report 2022, pages 34-38
Disclosure 305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report 2022, pages 34-38
Disclosure 305-4 GHG emissions intensity	Sustainability Report 2022, pages 34-38
Disclosure 305-5 Reduction of GHG emissions	Sustainability Report 2022, pages 34-38
Disclosure 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Sustainability Report 2022, pages 34-38



## Appendix

Disclosure	Our response
<b>Effluents and Waste</b>	
Disclosure 306-1 Water discharge by quality and destination	Sustainability Report 2022, page 40
Disclosure 306-2 Waste by type and disposal method	Sustainability Report 2022, page 40
<b>Waste</b>	
Disclosure 307-3 Waste generated	Sustainability Report 2022, page 40
Disclosure 307-4 Waste diverted from disposal	Sustainability Report 2022, page 40
Disclosure 307-5 Waste directed to disposal	Sustainability Report 2022, page 40
<b>Supplier Environmental Assessment</b>	
Disclosure 308-1 New suppliers that were screened using environmental criteria	Sustainability Report 2022, page 41
<b>Employment</b>	
Disclosure 401-1 New employee hires and employee turnover	Sustainability Report 2022, page 31
<b>Occupational health and safety</b>	
Disclosure 403-1 Occupational health and safety management system	Sustainability Report 2022, page 19
Disclosure 403-5 Worker training on occupational health and safety	Sustainability Report 2022, page 19
Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report 2022, page 19
Disclosure 403-9 Work-related injuries	Sustainability Report 2022, page 33
Disclosure 403-9 Work-related ill health	Sustainability Report 2022, page 33



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Disclosure	Our response
<b>Training and Education</b>	
Disclosure 404-1 Average hours of training per year per employee	Sustainability Report 2022, page 32
Disclosure 404-2 Programmes for upgrading employee skills and transition assistance programmes	Sustainability Report 2022, pages 18-19
<b>Diversity and equal opportunity</b>	
Disclosure 405-1 Diversity of governance bodies and employees	Sustainability Report 2022, page 33
<b>Local Communities</b>	
Disclosure 413-1 Operations with local community engagement, impact assessments, and development programmes	Sustainability Report 2022, pages 14-17
<b>Supplier local assessment</b>	
Disclosure 414-1 New suppliers that were screened using social criteria	Sustainability Report 2022, page 41



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