

Modern Slavery Statement 2022

Hikma Pharmaceuticals PLC (“**Hikma**”) is committed to upholding the principles of the Modern Slavery Act 2015 (“**MSA**”), taking 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 our business or in those of our partners and suppliers.

As required by the MSA, this statement describes the steps which we have taken for the financial year ended 31 December 2022 to mitigate the risks of modern slavery in our business and throughout our supply chains (“**Modern Slavery Statement 2022**”).

Hikma’s business, supply chains and structure

We help put better health within reach every day for millions of people around the world. For more than 45 years, we have been creating high-quality medicines and making them accessible to the people who need them.

We develop, manufacture and market a broad range of generic, injectables and branded medicines across the United States and Canada, the Middle East and North Africa, and Europe, with 32 manufacturing plants and eight research and development centres. Together, our approximately 8,800 colleagues are helping to shape a healthier world that enriches all our communities. We are a leading licensing partner, and through our venture capital arm, are helping bring innovative health technologies to people around the world.

Due to the global nature of our business, our supply chains are complex and have considerable scale. Goods and services are provided to us at various stages of the production cycle: as part of research and development, for our laboratories and offices, in the manufacture of raw materials and pharmaceuticals ingredients, packaging, transportation, marketing, and the sale of products.

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

Headquartered in the United Kingdom, we are led by our experienced Board of Directors and Executive Committee, details of which can be found [here](#). Our Corporate Compliance Programme, including modern slavery, is ultimately governed by the Compliance, Responsibility and Ethics Committee (“**CREC**”). The CREC is a Board-level committee, responsible for assisting the Board of Directors in meeting their responsibilities as they relate to the compliance-related activities of the organisation. Our Chief Compliance Officer (“**CCO**”) is a member of senior management, and is responsible for the day-to-day management of Hikma’s Corporate Compliance Programme including drafting policies and procedures, training, auditing, monitoring, and conducting investigations. The CCO provides periodic reports on the operation of the Corporate Compliance Programme to Hikma’s Executive Committee and the CREC.

We have a Code of Conduct in place that sets out our policy on modern slavery (“**Code of Conduct**”), which can be read [here](#). The Code of Conduct applies to all our employees and contract workers in all locations worldwide, as well as third parties working on behalf of or representing Hikma.

Goals achieved since 2021

In our Modern Slavery Statement for 2021, we specifically outlined key steps to be taken to improve the impact of our challenge to modern slavery.

These steps have been satisfied in the following ways:

- We have completed our capture of all third-party details (for both new and existing suppliers and partners) on our third-party risk management platform (the “**Due Diligence Platform**”);

- We finalised and launched our global supplier code of conduct (the “**Supplier Code of Conduct**”) which sets out our principles and expectations of third-party suppliers and partners, as well as expectations on sustainability matters. Our Supplier Code of Conduct requires that all suppliers and third parties who represent or conduct business on behalf of Hikma comply with all applicable laws, rules, regulations and ethical standards, including with respect to forced or compulsory labour, and human trafficking. This document is now embedded as part of our third party onboarding process and is publicly available on the Hikma website (please see the Supplier Code of Conduct [here](#)); and
- We have continued to build on our collaboration with EcoVadis, a sustainability ratings agency. EcoVadis assess our main suppliers across the following areas: (i) ethics, (ii) labour & human rights (including forced labour and human trafficking), (iii) environment, and (iv) sustainable procurement. We have improved our understanding of how our suppliers comply with regulations in these areas, with suppliers making up 39% of Hikma’s annual spend having submitted to initial and continuous assessment by EcoVadis.

Steps taken to manage modern slavery risks in 2022

1. Identifying risks

We believe that, due to the highly-skilled nature of our workforce, the regulations we comply with in the pharmaceutical industry, and the strict enforcement of our policies, the risk of modern slavery in our directly employed workforce is low.

However, the risk of modern slavery in our supply chain increases when we deal with third parties, and we therefore conduct initial and periodic due diligence checks against our third-party suppliers and partners to assess modern slavery risks.

Potential new third-party suppliers and partners are initially assessed as part of our onboarding process using our Due Diligence Platform, which includes continuous monitoring as well as our third-party risk-based compliance due diligence questionnaires, which are periodically updated. Our Due Diligence Platform was launched with NAVEX in 2020 and is described in further detail in our Modern Slavery Statement for 2020, which can be found [here](#).

Once onboarded, we continue to use our Due Diligence Platform and EcoVadis’ ratings platform to monitor our suppliers and our partners, to be alerted in real time when a third party’s status changes, and to understand potential areas of improvement. We also continue to actively engage with supply chain partners to ensure that the social and ethical standards we require are upheld.

2. Due diligence processes

We have continued to implement the practices set out in our Modern Slavery Statements for 2020 and 2021.

Hikma’s Group Procurement Policy, which was implemented in 2021, was further updated in 2022 and continues to apply to new and existing suppliers alongside our Group Third Party Due Diligence Policy.

As with previous years, all third parties are screened as part of our due diligence processes and we do not accept any third party for which there is evidence of modern slavery or any related practices. This applies to new third parties as well as existing third parties, as our due diligence process is continuous.

In 2021, the vast majority of existing third-party supplier details had been uploaded to our Due Diligence Platform, save for a small number of third parties in two jurisdictions. We are pleased to confirm that details of all existing third-party suppliers were uploaded to this platform in 2022, and details of all new suppliers are also uploaded as and when they are onboarded. We are therefore confident that we are able to capture modern slavery risks for all third-party suppliers and address these as they arise.

From our preliminary risk assessment and reputational screening, 71% of our assessed third-party base has a low risk profile, 25% has a medium risk profile, and 4% has a high-risk profile. Suppliers falling within the high-risk profile are and continue to be subjected to further investigation and enhanced due diligence.

3. Standard clauses in supplier contracts

Our standard form supplier contract templates continue to include warranties and undertakings that our suppliers (and, in turn, their suppliers and subcontractors) have not and will not engage in any activity, practice, or conduct that could constitute modern slavery.

4. Training

We have continued to commit to providing training for our workforce. A refresher on the Code of Conduct will be updated in 2023, including updates on the MSA and what our employees should expect from suppliers in this regard. Our employees will then receive updated training on this refresher.

5. Whistleblowing

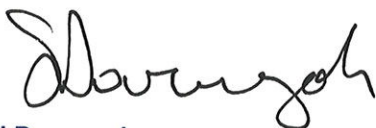
As mentioned in previous years, our anonymous "speak-up" hotline empowers Hikma's staff, consultants, and suppliers to report potential issues of modern slavery. This encourages an environment of openness, internally and externally, with regard to conduct and compliance issues. No concerns around modern slavery were reported through the "speak-up" hotline in 2022.

Next Steps

Our plans for 2023 include:

- Continuing to fine tune our risk-based compliance due diligence questionnaires for third-party suppliers and partners, which are being updated to allow us to better assess risk factors relating to modern slavery; and
- Continuing to build on our collaboration with EcoVadis to encourage more suppliers to submit for assessment across the four key areas mentioned above.

This Modern Slavery Statement 2022 was approved by the Board of Directors of Hikma Pharmaceuticals PLC on 27 April 2023.



Said Darwazah
Chief Executive Officer
27 April 2023