

# Acting responsibly

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Hikma  
Sustainability  
Report 2021



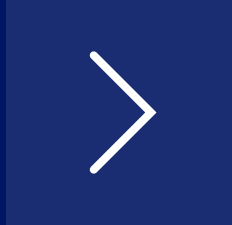
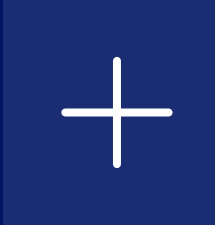
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**hikma.**

# Welcome to the Hikma Sustainability Report 2021

In this interactive PDF you can do many things to help you easily access the information that you want, whether that's searching for a specific item or going directly to another page, section or website. These are explained below.

			
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# About this report



**Businesses have a crucial role to play as stewards for future generations. At Hikma, we strive to put better health within reach every day and make 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've identified four focus areas where we can drive 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.

This report sets out our approach and commitments towards our material sustainability focus areas. It also demonstrates our approach to supporting the ten principles of the United Nations Global Compact (UNGC).



Sustainability at Hikma continued  
A message from our CEO

# Putting better health within reach, every day

At Hikma, we help put better health within reach, every day. By creating high-quality medicines and making them accessible to the people who need them, we help to shape a healthier world that enriches all our communities. These principles have defined our purpose and vision since our foundation, and we're continuously working to deliver on them in better and more sustainable ways.

**Siggi Olafsson**  
Chief Executive  
Officer



Providing better healthcare and supporting our communities are integral to what we do.



**W**e've always held ourselves to very high governance standards and continued to develop the governance and oversight of our environmental, social and governance (ESG) framework in 2021. At the same time, we've looked for opportunities to improve the impact we have on society and the environment. We're developing policies to promote diversity, equity and inclusion as well as measuring and limiting the impact we are having on the environment. For the first time, I had specific KPIs in 2021 related to delivering our sustainability strategy. These had a particular emphasis on the Group's emissions and our impact on the environment.



In 2021 we carried out an internal materiality assessment to align our sustainability efforts to the issues that are most relevant to Hikma and our stakeholders. This work has helped us to refine our focus on four key areas:

- Enhancing health and wellbeing
- Empowering our people
- Protecting the environment
- Building trust through quality in everything we do

In this report, we explain what each of these focus areas means to us and provide insights and examples of the excellent work being done by our teams in each area.

### Enhancing health and wellbeing

Providing better healthcare and supporting our communities are integral to what we do. In 2021, we continued to increase access to generic medicines across our markets. We launched important new products and improved our capabilities, for example by opening our new oral oncology plant in Algeria – the first in the country. We also donated \$3.2 million worth of medicines to organisations that provide access for marginalised and displaced people, and supported food donation programmes for those in most need. We continue to partner with global non-governmental organisations such as Save the Children and the United Nations High Commissioner for Refugees (UNHCR) to strengthen and promote educational access and quality.

**\$3.2m**

worth of medicines donated to organisations that provide access for marginalised and displaced people

## Sustainability at Hikma

## A message from our CEO continued

**Empowering our people**

In 2021, we built upon the culture work we carried out in 2020, instilling our values: innovative, caring and collaborative, throughout the organisation. This included ongoing work to improve the recruitment, retention and promotion of diverse and talented employees. We also increased hybrid learning opportunities and partnerships with universities. Our work to promote diversity, equity and inclusion is fundamental to empowering our people and we now have executive committee level responsibility for this, as well as a growing number of employee resource groups.

**Protecting the environment**

I'm delighted with the progress we are making and the ambition across the Group on minimising our impact on the planet. In 2021, after careful analysis of our emissions, we put in place a target to reduce our Scope 1 and 2 greenhouse gas (GHG) emissions by 25% by 2030. We've been carrying out work on the environmental efficiency of our operations and taking steps to increase our renewable energy use. We have been improving our monitoring and are at the early stages of our work on water and waste management. The climate crisis affects all of us and I'm proud that at Hikma we're playing our part in alleviating its impact where we can.

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

For more than 40 years, quality has remained a founding principle of Hikma. It's just as important to us today. Our global quality team carries out frequent audits in our plants, which are in turn inspected by regulatory bodies. During 2021, we launched an internal quality campaign, reinforcing the importance of quality to all our employees. We commit to the highest ethical standards and good governance at all levels of the business, and during the year we refreshed and provided training on our Code of Conduct. We also take steps across our value chain to make sure modern slavery is not taking place within Hikma or our partners and suppliers.

[Read more on our four focus areas](#)


We've made excellent progress in 2021 and we are well positioned to deliver on the expectations on sustainability held by our stakeholders. We remain a constituent of the FTSE4Good index and a member of the UNGC, committing to its principles. We also support five of the UN Sustainable Development Goals and are committed to taking steps to deliver on their aims. From a reporting perspective, we are taking steps to align with the Task Force on Climate-related Financial Disclosure (TCFD). We are committed to acting responsibly, for our people, patients, communities and the planet, and I hope this report brings to life what we have been doing across these four areas.

**Siggi Olafsson**

Chief Executive Officer

## A message from our EVP, Business Operations

# Committed to minimising our impact on the planet



**Henriette Nielsen**  
Executive Vice President, Business Operations

During 2021, Hikma placed a particular focus on its environmental impact. In my role as EVP, Business Operations, I've been overseeing the efforts we are making to monitor our emissions, set emission reduction targets and put realistic action plans in place.

We are aligning our environment-related work with the TCFD. As part of this, we spent time in 2021 conducting an exercise with internal stakeholders and a third-party consultant to identify our climate-related risks and opportunities. We've identified those we see as most material and modelled them, so we can begin work on mitigation measures, which will take place through 2022.

For our direct emissions – Scope 1 and 2 – we have refined our data collection process and set a target to reduce our Scope 1 and 2 emissions by 25% by 2030, using a 2020 baseline. We will use opportunities at our sites to operate more environmentally friendly and efficiently, sharing what we learn across our geographies so we can make sure the Group as a whole is working towards this common goal.

During 2021 we worked to improve our understanding of our Scope 3 emissions. Being able to identify the emissions hotspots across our procurement categories, suppliers, and regions helps us to focus our efforts where it really matters. One important mitigation measure will involve engaging with our main materials suppliers to understand their goals to reduce carbon, move to renewable energy and increase energy efficiencies in their production.

In 2021, we conducted a water screening exercise with external consultants so we could identify water-related risks in the short, medium and long term. We will build on this to determine opportunities for water conservation. Furthermore, we are looking at how we can improve waste management and look forward to making further progress in 2022.

It's clear to me that there is much we can continue to do to minimise our impact on the environment. I am pleased with the progress we made in 2021 and look forward to working with our cross-functional teams to build on this as we seek to make Hikma's operations and supply chain as clean and efficient as we can.

**Henriette Nielsen**

Executive Vice President, Business Operations

**25%**

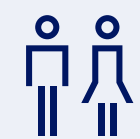
We have established a target to reduce our Scope 1 and 2 GHG emissions by 25% by 2030





# What we do

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



**c.8,700**  
employees



**32**  
manufacturing  
plants

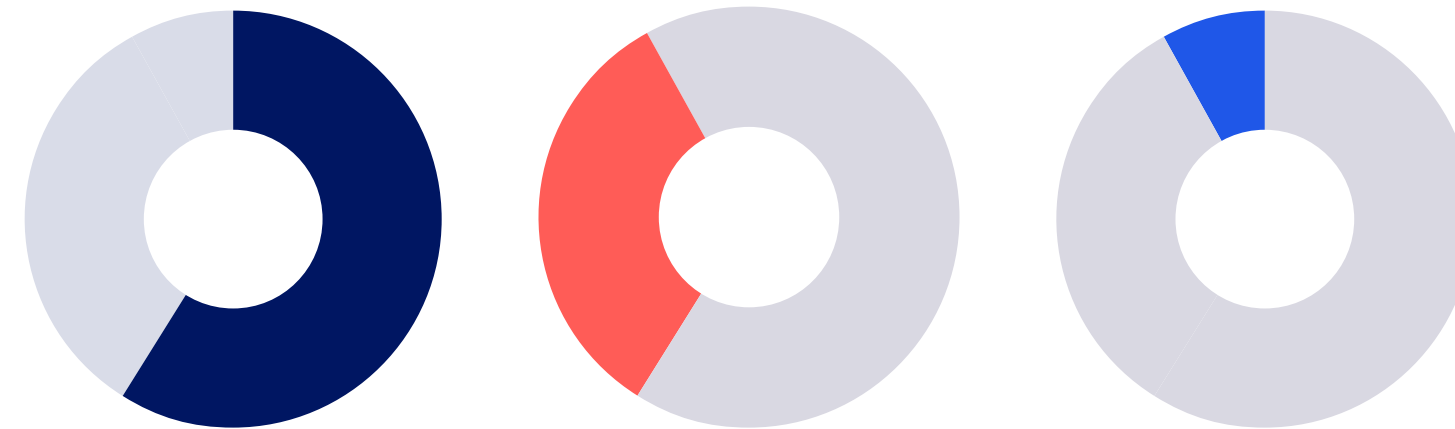


**7**  
R&D centres



**670+**  
products

## Our markets



**59%**  
Group core revenue  
(2020: 60%)

**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 two R&D centres to support sustainable growth.

**33%**  
Group core revenue  
(2020: 33%)

**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.

**8%**  
Group core revenue  
(2020: 7%)

**Europe and rest of the 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 the US, MENA and a growing number of markets in Europe.

## Our business segments



### Injectables

We supply hospitals across our markets with generic injectables, supported by our manufacturing facilities in the US, Europe and MENA. In the US, we have broadened our product offering to include compounded sterile injectables.



### Generics

We supply oral and other non-injectable generic and specialty branded products in the US retail market, leveraging our state-of-the-art manufacturing facility in Columbus, Ohio.



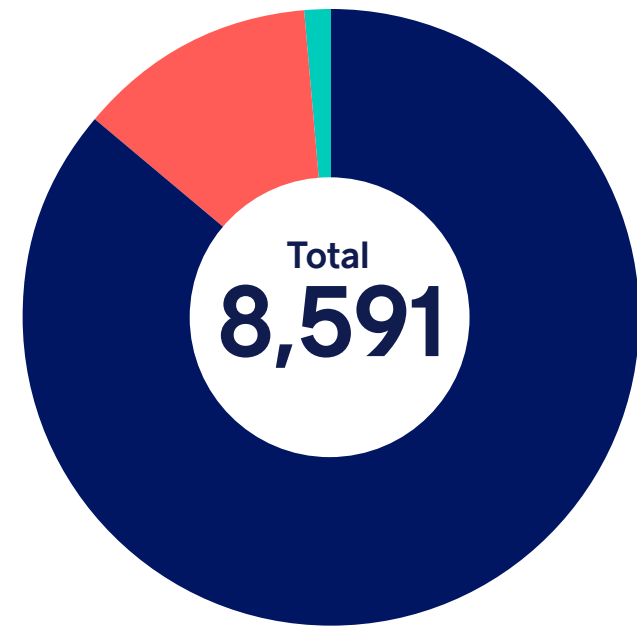
### Branded

We supply branded generics and in-licensed patented products from our local manufacturing facilities to retail and hospital customers across the MENA region.

Note: Headcount includes locations with majority ownership

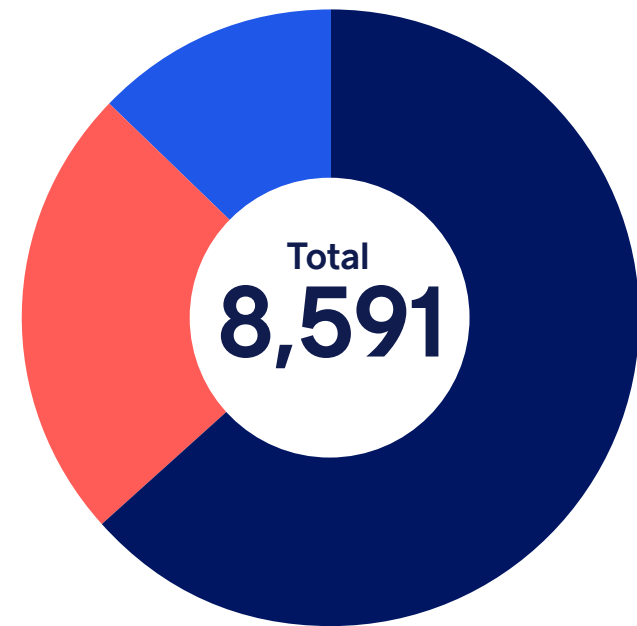
Company profile continued

### Our employee breakdown



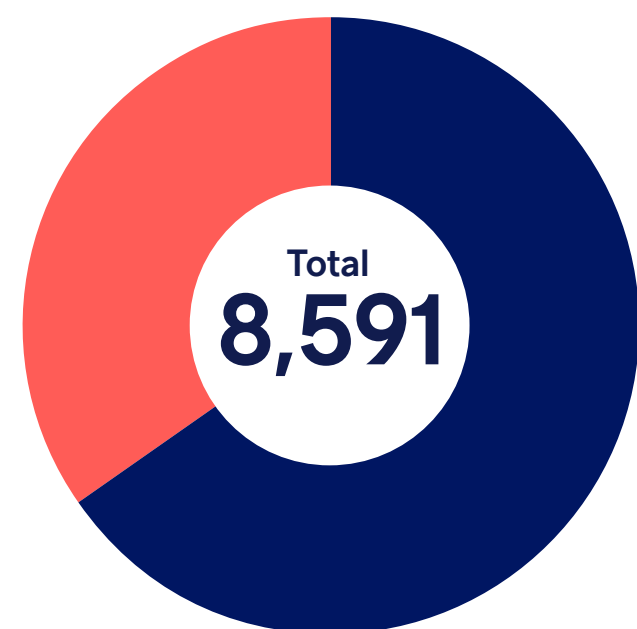
2021 headcount by employee group

● Skilled and professional.....	7,407
● Managers.....	1,075
● Executives.....	11
● Others.....	98



2021 headcount by region

● MENA.....	5,445
● US.....	2,065
● EU and rest of the world.....	1,081



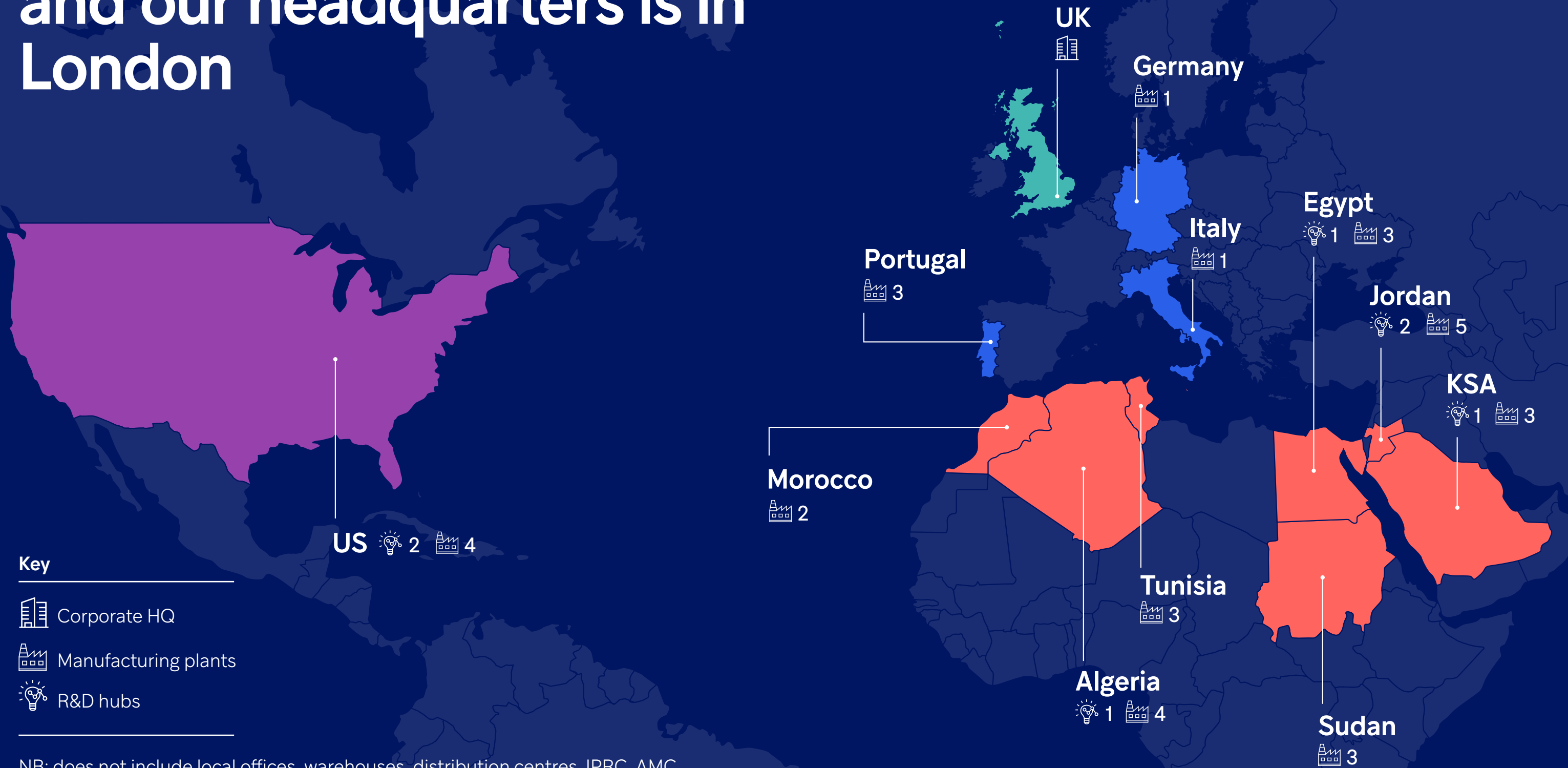
2021 headcount by gender

● Men.....	5,613 (65%)
● Women.....	2,978 (35%)

Note: Includes only locations with 100% ownership

### Our global manufacturing and R&D footprint

# Hikma's 32 manufacturing plants and seven R&D centres are spread across 11 countries and our headquarters is in London



- Key**
- Corporate HQ
  - Manufacturing plants
  - R&D hubs

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

Materiality assessment and our sustainability framework

# Prioritising the right issues

We work to understand and prioritise ESG issues related to our business. This enables us to integrate sustainability into our overall strategy, mitigate risks, and ultimately create shared value for our business and stakeholders.

In 2021, we conducted an internal materiality assessment. This took into consideration the priorities of key stakeholders and relevant business impacts so we could highlight the sustainability issues most relevant to us. We also carried out extensive research into the frameworks used by sustainability rating agencies, so we could fully understand material issues from an external perspective.

During the exercise our team considered all our key stakeholders, including patients and healthcare professionals, employees, customers, communities, government and regulators, suppliers and investors.

# Acting responsibly





## 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 and more affordable 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 have a duty of care towards patients, communities, our people and the environment. We are a responsible and sustainable company. We use our business to promote positive change. Having a positive impact on our communities is a founding principle of Hikma. We care about the legacy we leave behind, including how we engage with our communities and how we manage our relationship with the natural environment. Businesses have a crucial role to play as stewards for future generations.

### 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.

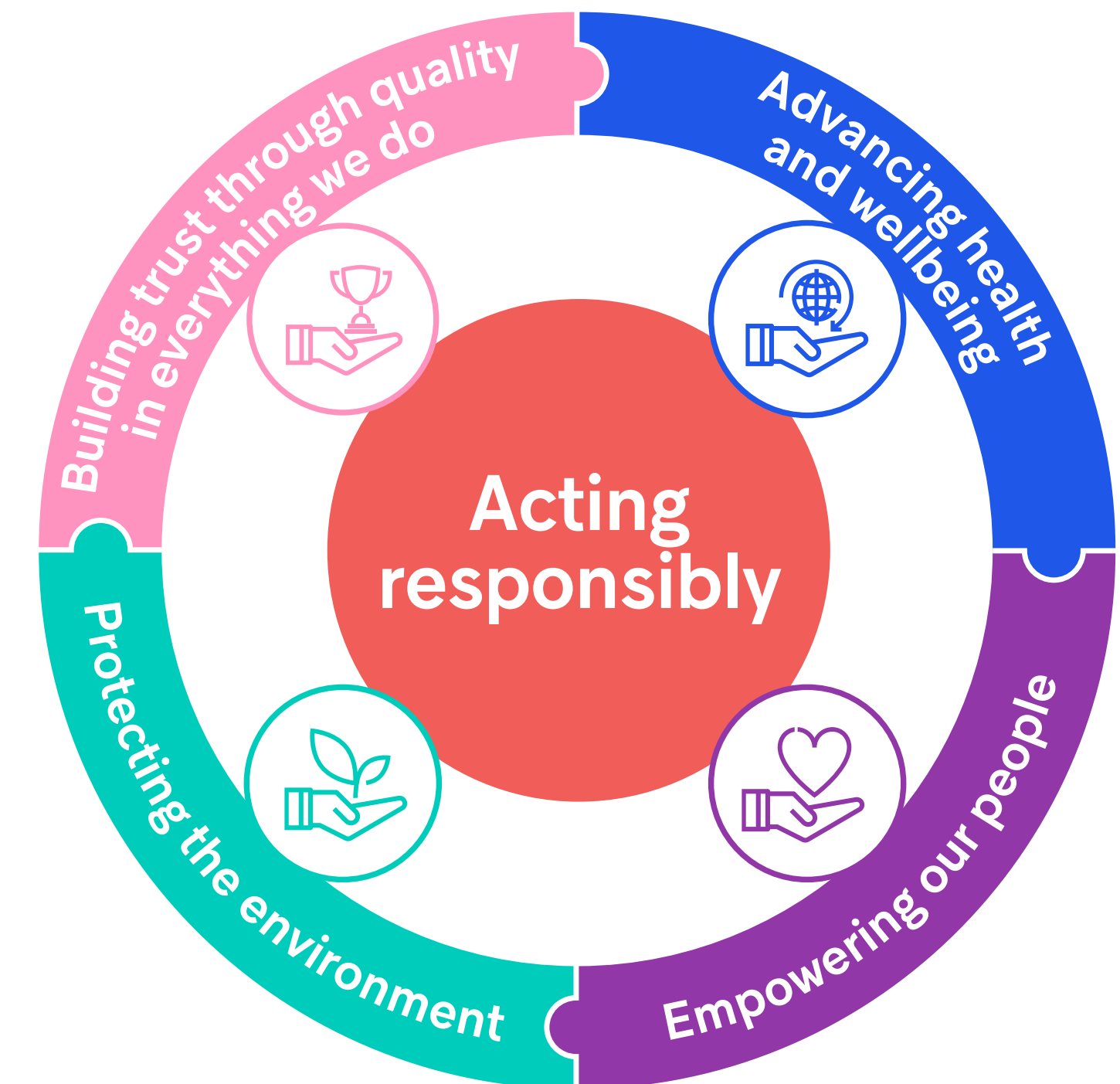
- Product quality and safety
- Ethics and compliance
- Corporate governance

#### 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.

## Our sustainability framework



# Recognition of our performance

## 2021 updates

 FTSE4Good	 MSCI	 CDP	 Modern Slavery Act 2015
<b>3.2</b> Constituents since 2014. Ranked in the 69th percentile	<b>BBB</b> Achieved an ESG rating score of BBB	<b>B</b> Achieved a score of B (Management) for climate change	 Signatory to the Modern Slavery Act
 WE SUPPORT UN GLOBAL COMPACT	 SUSTAINABLE DEVELOPMENT GOALS	 SUSTAINALYTICS a Morningstar company	
 Signatory to the United Nations Global Compact	 Supporters of the UN Sustainable Development Goals	<b>32.0</b> Ranked in the 15th percentile of the Pharmaceuticals sub-industry (where 1st is lowest risk) <sup>1</sup>	

<sup>1</sup> Latest score updated in March 2022



## Building trust through quality in everything we do

- Upholding the Universal Declaration of Human Rights and improving human rights oversight across our value chain – page 28
- Conducted GMP and GMP-related audits to ensure quality at our sites:
  - External audits in 2021: **116**
  - Internal audits in 2021: **28**
- Ensuring that all existing and new suppliers have their details assessed by the RiskRate platform to indicate compliance with modern slavery protocols – page 28

[Read more on this focus area](#) +

## Protecting the environment

- Committed to reducing our Scope 1 and 2 emissions by 25% by 2030 – page 21
- Achieved a reduction in our Scope 1 and 2 emissions of 19% over the year – page 21
- Continuously aligning our internal processes and public disclosures with the TCFD – Aligning with the TCFD, Annual Report 2021
- Conducted a water screening exercise to define and prioritise water and climate-related risks – page 25

[Read more on this focus area](#) +

## Advancing health and wellbeing

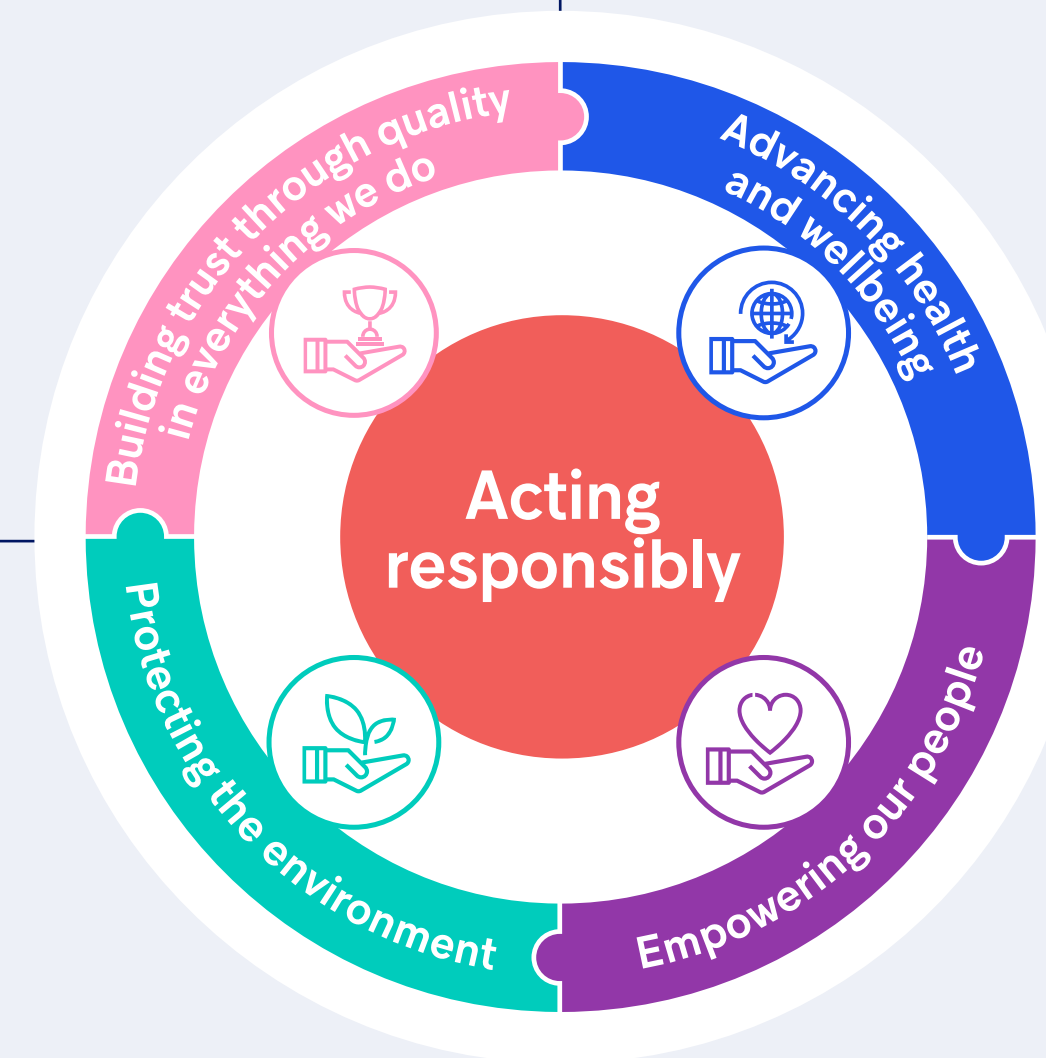
- Delivered \$3.2 million in medicine donations – page 15
- Funded higher education scholarships to 40 refugees and six under-represented women across MENA – page 16

[Read more on this focus area](#) +

## Empowering our people

- Established an Executive-level Diversity, Equity and Inclusion Committee to drive diversity across the organisation – page 18
- Delivered more than 47,000 instructor-led learning hours to employees – page 19

[Read more on this focus area](#) +



Our sustainability performance  
Aligning with the Sustainable Development Goals (SDGs)

# Our adopted goals

The United Nations Sustainable Development Goals (SDGs) were developed in 2015 to guide and promote sustainable development efforts by the public and private sectors.

While our business activities and purpose contribute directly to sustainable development within our markets, we have prioritised five SDGs that align most closely with our corporate and sustainability strategies.



**Ensure healthy lives and promote wellbeing for all at all ages**

Our purpose is to put better health within reach, every day. We do this by ensuring the quality and affordability of our products, promoting access to medicines, and supporting our communities through health-related community outreach and medicine donations.

- Advancing health and wellbeing: access to medicines (page 13) +
- Advancing health and wellbeing: corporate social responsibility (page 16) +



**Achieve gender equality and empower all women and girls**

We pride ourselves on maintaining a culture of inclusion and equality. While we hire and promote on merit, we are working on reducing any unconscious bias that is part of our hiring and promotion process. During 2021, we developed global policies and took certain actions to this effect and will continue such work in 2022.

- Empowering our people: diversity, equity and inclusion (page 18) +



**Take urgent action to combat climate change and its impacts**

We continue to achieve progress with our environmental performance, pursuing actions to improve energy efficiency and reduce emissions. We've developed a target to reduce our emissions by 25% by 2030, from a 2020 base year. We're aligning our internal processes and public disclosures with the TCFD.

- Protecting the environment (page 21) +
- Aligning with the TCFD, Annual Report 2021 +



**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

We support education for both our communities and our employees. One of the areas of focus for our CSR team is to support education, which we do through collaborations and partnerships with our stakeholders, society and educational institutions. Internally, our learning and development function oversees the continuous learning of our people.

- Advancing health and wellbeing: corporate social responsibility (page 16) +
- Empowering our people: recruitment, retention and promotion (page 19) +



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

We have 32 manufacturing plants and seven research and development (R&D) facilities across 11 countries. Our commitment to maintaining and developing state-of-the-art facilities requires continuous investment in infrastructure, fostering job creation, innovation and sustainable economic development.

- On our website – [www.hikma.com/about/worldwide/](http://www.hikma.com/about/worldwide/) +

# 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.

- Advancing health and wellbeing 13
- Empowering our people 17
- Protecting the environment 21
- Building trust through quality in everything we do 26



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RM	32,2 Gy	30,3 Gy	35,8 Gy
nk	44,1 Gy	42,9 Gy	37,8 Gy
ll-sch	44,7 Gy	45,7 Gy	42,0 Gy
	110,23%	107,35%	107,47%
	80	59	63
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## Our focus areas



# Advancing health and wellbeing

## Access to medicines

**As a generic pharmaceutical company, Hikma is in the business of making medicines more affordable and accessible across our geographies. This is consistent with our purpose of putting better health within reach, every day.**

Generic medicines reduce costs for healthcare providers, governments and patients. They play this role across each of the geographies in which we operate, and we're proud to work alongside our peers in the industry to bring these generic products to market.

During 2021, we carried out an internal materiality assessment to highlight areas on our sustainability agenda which we see as most material. Access to medicines was highlighted as an important topic for us, as it has been since the establishment of Hikma more than 40 years ago.

### Overcoming challenges

Providing access to more affordable medicines is not without its challenges. At Hikma, we face and overcome challenges every day and have systems and processes in place for this purpose.

- We make sure we have a robust supply chain so we can preserve continuity of medicine supply. Our procurement team works closely with our site teams to manage supplies of both active pharmaceutical ingredients (API) and other consumables. Since the onset of 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
- Regulation differs across our markets, so having strong regulatory teams with knowledge of the process in our geographies is critical to achieving approvals for new medicines
- Manufacturing can have unexpected delays or hold-ups. Consequently, we have multiple lines in our plants and the flexibility to use all the plants in our network, maintaining continuity of supply of those products most in demand

- Ensuring access across society can be challenging. We work with a broad array of customers, both in the private sector and governments, as well as through our medicine donation programme, to get our products into the hands of all those who need them

### Our presence

Across MENA, where we have a broad local manufacturing presence and are the fourth largest pharmaceutical company in the region by sales<sup>1</sup>, we develop, manufacture and distribute our own branded generic medicines and patented products through partnerships and licensing agreements. This ensures underserved populations have access to the medicines they need, when they need them.

In the US we are the second-largest supplier of generic injectable medicines<sup>2</sup>. We are also a top-10 manufacturer of non-injectable generic medicines<sup>3</sup>, including oral medications, as well as nasal sprays and inhalers. We are an active member of the Association for Accessible Medicines (AAM), an advocacy group that advances access to generic medicines. Working together with other generic pharmaceutical companies, we strive to get safe, effective and less costly medicines into the hands of patients across the US who need them.

In Europe, we have manufacturing sites in Portugal, Germany and Italy. We sell our products in several countries and are the second-largest supplier of generic injectable medicines in the Portuguese market by both value and volume<sup>4</sup>. We continue to expand our offering in terms of both products and geographies and have recently entered the French market.

<sup>1</sup> Source: IQVIA Midas MAT March 2022 for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia, UAE. USD sales

<sup>2</sup> Source: IQVIA MAT March 2022, generic injectable volumes by eachees, excluding branded generics

<sup>3</sup> Source: IQVIA FY 2021 non-injectable generic products only

<sup>4</sup> Source: IQVIA 2021, generic injectable sales, Euros

<sup>5</sup> <https://www.idf.org/our-network/regions-members/middle-east-and-north-africa/diabetes-in-mena.html>

**4**  
We are the  
fourth largest  
pharmaceutical  
company in MENA  
by sales



## Diabetes in the MENA region

According to the International Diabetes Federation, 73 million adults are living with diabetes in the MENA region. This is expected to increase to 95 million by 2030<sup>5</sup>. At Hikma, we recognise the importance of providing the best treatment options to those suffering from diabetes. Through partnership, we are able to supply markets such as Algeria with Vipidia™ (alogliptin), an important oral anti-diabetic, as well as our own branded generic of dapagliflozin – Divinus®.

**73m**  
73 million adults  
are living with  
diabetes in the  
MENA region



*Access to medicines continued*

**Alignment with global health priorities**

Through our operations, in-country outreach and our medicine donation programme, Hikma is aligned with the health priorities of the regions in which we operate.

Across many of our MENA markets, these priorities relate to the inequity of access to healthcare. For example, in Egypt, one of our largest MENA markets, the constitution addresses health as a fundamental human right and commits to covering the whole population with quality health services. Through our operations in the region, such as operating the sole oral oncology plant in Egypt, we are able to address this priority and bring quality medicines to the population.

In the US, the issue of opioid overdose has been recognised by the FDA as “one of the most urgent health priorities” with life-saving treatments seen as key to addressing the crisis. In 2021, we launched our 8mg naloxone nasal spray, Kloxxado™, a product that reverses the effects of opioid overdose. This product joins a stable of addiction therapy services products<sup>1</sup>, which collectively make up our community health offering. Through these products, we address acute life-threatening events and provide access to better long-term support products and services.

**How we bring access to medicine**

Across the business, we provide access to medicine through a variety of means, which we've set out below.

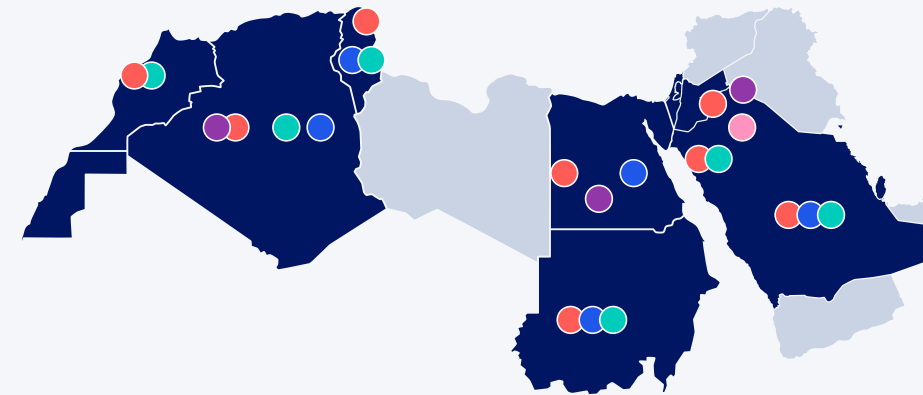
**Impact through our local presence**

Core to Hikma's strategy is having a strong local presence in our markets. By operating state-of-the-art manufacturing facilities in the US, MENA and Europe, we are able to respond quickly to shifts in demand, such as those seen during the COVID-19 pandemic.

In the MENA region, having local capacity allows our medicines to be prioritised in certain markets, and this means we can respond quickly to demand, provide jobs and better engage with our customer base. We also have a strong local presence in MENA through our commercial operations, with over 2,000 sales representatives who foster important relationships with healthcare professionals. By having a presence on the ground, we are better able to understand our markets and respond quickly to the needs of our customers.

<sup>1</sup> Statement on continued efforts to increase availability of all forms of naloxone to help reduce opioid overdose deaths | FDA

**670+**  
We have a differentiated portfolio of over 670 products



**23**  
Manufacturing plants across the MENA region

**Key**

- General formulation
- Cephalosporins
- Penicillin
- Oncology
- API

**Jordan manufacturing breadth**

- Five plants covering chemicals (API), general formulation, high containment and penicillin
- Ability to supply both MENA and US Generics business
- Local, regional and US FDA-inspected facilities
- 4.1 billion tab/cap and 70 million bottles per year
- 370+ products<sup>2</sup> produced across plants

**Egypt manufacturing breadth**

- Three plants covering general formulation, high containment and cephalosporins
- Range of technological capabilities including multi-encapsulation and bi-layer compression
- 1.8 billion tab/cap and 50 million bottles per year
- 180+ products<sup>2</sup> produced across plants

**Saudi Arabia manufacturing breadth**

- Three plants covering general formulation, cephalosporins and penicillin
- Local, regional and US FDA-inspected plants
- 1.9 billion tab/cap and 35 million bottles per year
- 250+ products<sup>2</sup> produced across plants

<sup>2</sup> Products refer to Single Dose Units (SDUs)



**Algeria's first oral oncology plant**

In Algeria, cancer is the second most common cause of death after cardiovascular diseases and is at the forefront of the Algerian government's health policy. Hikma recognises the need to make treatments for cancer readily available and in 2021 started operations at our oral oncology plant in the region – the first of its kind in Algeria. We now supply eight oral oncology products in Algeria and have more launches in the pipeline.

**8**  
We now supply eight oral oncology products in Algeria and have more launches in the pipeline

The plant was opened in Algeria to fully cover the needs of Algerian patients for certain oncology products.



## Our focus areas Advancing health and wellbeing continued

### Access to medicines continued

#### Spreading awareness and education

Disease awareness is of particular importance to our MENA operations, where our teams work closely with doctors and pharmacists to keep them informed and updated on advances in treatment options.

Using new hybrid ways of working, we host virtual conferences and meetings across the region. This gives thousands of doctors access to key opinion leaders who share their knowledge of advances in important therapeutic areas, such as new or combination treatments for diabetes or hypertension. At a more granular level, our market representatives regularly visit doctors with information on new and existing medicines.

We believe that our focus on education and awareness programmes ultimately gives patients improved outcomes.

#### Establishing and maintaining partnerships

In the US, MENA and Europe, we partner with companies to leverage our manufacturing, regulatory and commercial expertise in bringing medicines to market. In 2021, we continued to work with Gilead, manufacturing Remdesivir, a novel product used in the treatment of COVID-19. In the MENA region, we have partnered with originator companies for decades, where our reach into 18 MENA countries gives companies a route to supply important products to markets where they may not have an established presence.

#### Addressing drug 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.

We work closely with the US Food and Drug Administration (FDA) to anticipate and address shortages of vital medicines. We have played a leading role in addressing US drug shortages, launching more than 20 medicines into shortage situations in recent years and have been recognised by the FDA for our efforts.

We have done this consistently throughout the COVID-19 pandemic by altering our manufacturing schedules to prioritise production of medicines in short supply that hospitals need the most. We have also used our manufacturing capabilities and flexibility to assist partners.

#### Providing medicine donations

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 2021, we continued to support our partners including Direct Relief, Dispensary of Hope, Americares, the Brother's Brother Foundation, the National Children's Cancer Society, Save the Children and others. During the year, we donated \$3.2 million of medicine (value based on cost of goods). Our medicine donations were slightly higher in 2020, due mainly to our response to the medical emergency following the explosion in Beirut, Lebanon.



### MENA Partnerships

During 2021, as part of our exclusive licensing agreement with Gedeon Richter, we launched cariprazine in Jordan, Saudi Arabia and Egypt, under the trade name Reagila, for the treatment of schizophrenia in adults.

Reagila is a novel antipsychotic and was the first in the Egyptian market to treat adult patients with schizophrenia, especially those with negative symptoms, which are prevalent in up to 60% of patients. It's another example of our promise to ensure quality treatments are within reach for our patients every day.

**1st**  
Reagila is a novel antipsychotic and was the first in the Egyptian market to treat adult patients with schizophrenia

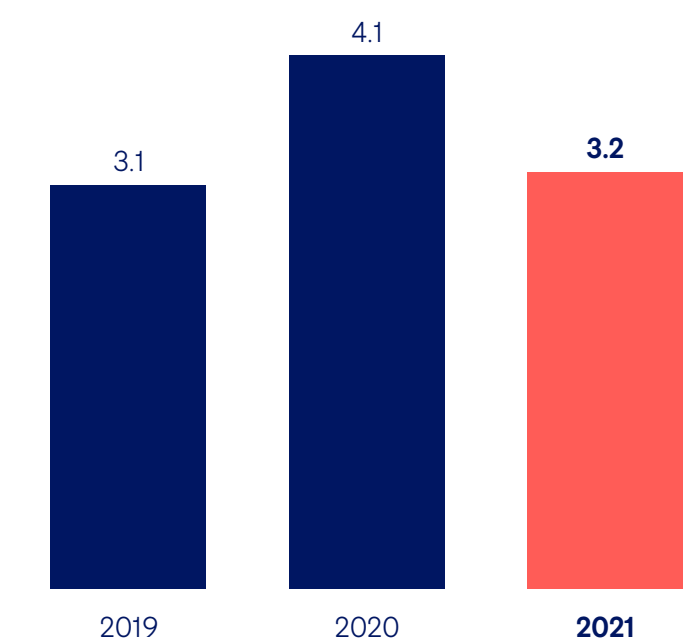


### Hikma virtual conferences

Over the past few years, our standalone events have become widely recognised for adding educational and scientific value to thousands of healthcare professionals (HCPs) across the MENA region. From April 2020, we held a series of online events including a virtual medical conference in response to the COVID-19 pandemic and restrictions on travel and gatherings. Following the success of this event, we organised nine more virtual conferences in 2021, attended by 1,400 delegates. We also held over 160 smaller events, reaching more than 8,000 delegates. Through these events, we connected HCPs across the region with opinion leaders, focusing on key therapeutic areas, such as diabetes, oncology and cardiovascular.

**1,400**  
We organised nine more virtual conferences in 2021, attended by 1,400 delegates

Medicine donations (COGS)\$m





## Our focus areas

Advancing health and wellbeing continued

### Corporate social responsibility

## We are passionate about supporting the communities in which we operate. In all our markets, we work to meet social needs and improve lives.

We have three CSR focus areas to direct how we address social challenges, provide relief to those in most need, and promote health and wellbeing. We've set out these three focus areas below.

1

### Providing better health

We work to address un-met healthcare needs through community outreach, collaborating with hospitals and other institutions and providing in-kind medicine donations to patients in need.

#### 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 health is at the core of what we do, a major focus of our community engagement activities is directed towards this mission.

#### Examples of work to provide better health during 2021

Through our partnership with Save the Children, we directed \$50,000 towards providing emergency hospital treatment for 240 children in Yemen suffering acute malnutrition.

Our partnership with the Royal Health Awareness Society (RHAS) in Jordan continued to support students and teachers in public schools through the Healthy Schools Programme. This has focused on areas such as nutrition, preventative health, mental health and COVID-19 awareness. Also, the Mental Health Programme, established in 2021, aims to improve teachers' understanding of the psychological development of children and to address the early stages of mental health challenges among youth.

Our annual 'We are Hikma campaign' promotes employee and community health through various initiatives. In 2021, we organised free medical testing for more than 300 employees. We also organised blood drives in six MENA countries, with more than 500 litres donated. This helped address blood shortages at hospitals and health centres, a result of restrictions and difficulties caused by the COVID-19 pandemic.

2

### Supporting education

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

#### 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.

#### Examples of work to support education during 2021

In 2021, we became one of the first private sector partners of the United Nations High Commissioner for Refugees (UNHCR) Aiming Higher initiative. This was established to help refugees gain access to higher education. Through the partnership, we have committed more than \$545,000 over four years towards providing higher education scholarships to 40 refugee students in Jordan, Egypt and Algeria.

We're also supporting teachers and students in Jordan through our partnership with Save the Children. Since 2020, we have been funding partners of the Transforming Refugee Education towards Excellence (TREE) programme, committing \$350,000 of support to 2023. The programme focuses on strengthening the national teacher professional development system, supporting teachers' wellbeing and resilience.

In 2020, we established a partnership with CareerVillage.org, a web platform and online community connecting 4.5 million students seeking career advice. Through our partnership, professionals at Hikma can provide mentorship and career advice to students around the world. To date, advice shared by Hikma employees has been read by more than 58,000 online learners.

Through the Al Aman Fund for the Future of Orphans, we're funding higher education for orphan women in Jordan. In 2021, we funded the university education of six Jordanian women studying pharmacy and medicine.

Our Back-to-School campaign is providing essential school supplies to students and supporting the rehabilitation of infrastructure. In Portugal, we provided school supplies to more than 300 children. Volunteers from our Portugal site also took part in the rehabilitation of the nearby primary school, Escola Básica da Assafora.

40

Providing higher education scholarships to 40 refugee students in Jordan, Egypt and Algeria

58,000

Online learners supported by Hikma employees through CareerVillage

Essential school supplies were distributed to 200 primary school students in Algeria, and 300 orphan children in Iraq. In Morocco, our rehabilitation of a primary school will benefit more than 1,200 students.

3

### Helping people in need

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

#### Examples of work to help people in need during 2021

In 2021, we participated in the construction of the Al Bagair road in Sudan, a major road that extends for 11 kilometres and connects six villages housing more than 15,000 residents. The development of Al Bagair will contribute to local economic development, as the road will also run alongside more than 400 local manufacturing facilities.

In Egypt, we collaborated with the local NGO Misr El Kheir to support 21 people in three low-income families by helping to rehabilitate their homes.

We also supported the SOS Jordan Youth Care Programme to provide housing and care to seven orphaned youth. And in an effort to assist refugee migrants in Portugal, we collaborated with the Sintra Municipality to furnish the homes of five Afghan refugee families.



## Our ambition

**Our aim is to continue strengthening how we engage with our communities, and to maintain or develop partnerships with local and international NGOs that are committed to impacting society through better health, education and material support.**

**We also aim to continue increasing volunteering opportunities for our employees who wish to actively take part in community engagement activities.**



Our focus areas



# Empowering our people

Culture of progress and belonging

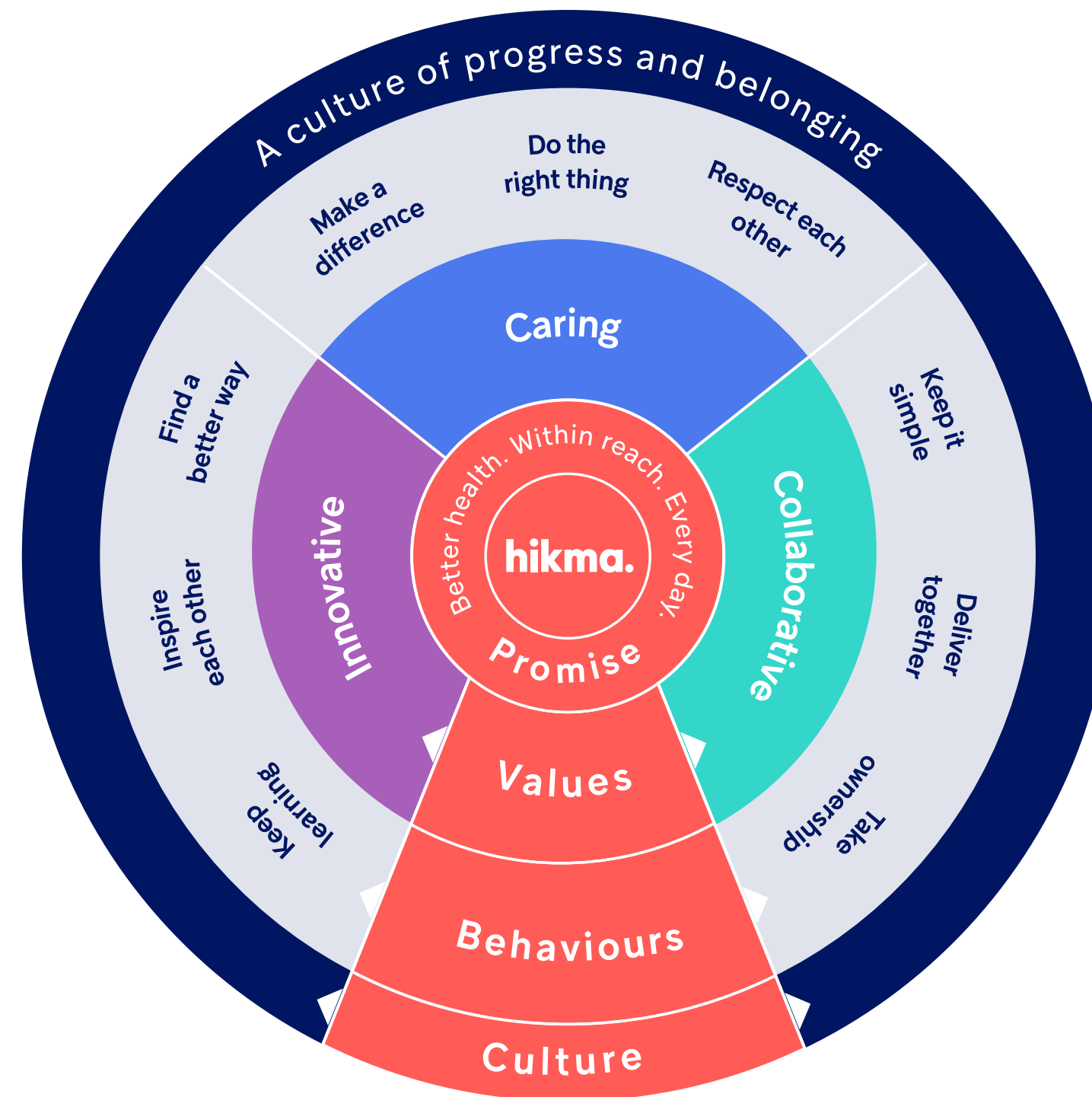
**We have always had a supportive culture – our founder, Samih Darwazah, created a culture that encouraged and challenged employees while making them feel supported by, and part of, a strong family network.**

As our business has grown across the US, MENA and Europe, our culture has been continuously evolving, influenced by new people, new experiences and backgrounds, new perspectives, and new languages.

In order to bring us closer together and connect all employees across our enlarged business, we launched a new culture framework of Progress & Belonging in 2021. This framework 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.

Alongside our culture framework, we also introduced new values – innovative, caring and collaborative – to unite our people worldwide and enhance the way we work together and with our stakeholders. 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.

We have worked to embed our new cultural identity and values throughout our organisation. Our aim has been to make sure all our employees have access to a robust suite of multilingual tools and resources that explain our culture and values, as well as the desired behaviours that will support them. We arranged webinars and manager-led discussions across the business so people could better understand our desired culture, while enabling them to share examples and ideas to bring our culture to life.





## Our focus areas

### Empowering our people continued

#### Employee wellbeing

**Ensuring the wellbeing of our people is central to our business. We take steps to make sure we provide a safe and healthy workplace.**

During 2021 we updated our Group Environmental Health and Safety Policy Statement and implemented programmes and investments to promote a healthier and safer work environment.

- We continued to take measures to protect our employees during the COVID-19 pandemic by continuously monitoring and revising our mitigation strategies and ensuring employees have the latest information about the virus and vaccinations
- We launched our Take 5 for Safety Programme in our Cherry Hill facility in the US to promote health and safety awareness
- Our Columbus site in the US achieved a health and safety milestone by placing in the first quartile for total recordable injury rate performance when compared to the US pharmaceutical industry
- In the MENA region, we continued to improve our standards. For example, at our Hikma Chemical site in Jordan, we launched a new mobile reporting tool so that employees can report safety concerns
- Both our Tunisian sites, Ibn Al-Bitar and Medicef, achieved ISO 45001 and ISO 14001 (health, safety and environment management systems)
- Our Hikma Egypt sites achieved zero recorded injuries throughout 2021



#### Our ambition

**Our ambition is to strengthen our public disclosure on sustainability-related health and safety issues. These include more granular information metrics about employee injuries.**

#### Diversity, equity and inclusion

**Creating an inclusive workplace aligned with our Hikma values is fundamental to us. Our people know that their differences contribute to our ongoing success.**

We created a Diversity, Equity and Inclusion Committee, led by Henriette Nielsen EVP Business Operations, Majda Labadi EVP Organisational Development and Susan Ringdal EVP Strategic Planning and Global Affairs. This provides strategic direction, leadership and supports delivery of our equity, diversity and inclusion initiatives. During 2021 we:

- equipped our top 140 leaders with a training programme to help them reflect on their own behaviours, recognise and challenge bias and advance systemic change on inclusion
- implemented best practice improvements to our hiring processes. We launched a new global recruitment policy that encourages managers to consider a diverse pool of candidates. We also launched a new international assignments policy that aims to facilitate employee mobility within Hikma
- launched an official employee resource group programme, starting with the US Black Employees Advisory Board and the Hikma Women's Network. These groups are open to everyone in our organisation. They create more formal opportunities to foster a sense of community, cultural awareness and a sense of belonging
- delivered global engagement campaigns to recognise International Women's Day, Ramadan, Juneteenth, Black History Month and many more



#### Our ambition

**Our aim is to continue finding ways to increase diversity and inclusivity in how we hire, retain, promote and engage our people.**



#### Celebrating Women's Day in MENA

International Women's Day is a global day to celebrate women's achievements and raise awareness on gender equality. In 2021 Hikma celebrated the occasion in our MENA sites in Jordan, Saudi Arabia, the United Arab Emirates, Lebanon, Sudan, Egypt, Morocco, Algeria and Tunisia.

We held several online sessions for our Hikma women to attend. The sessions featured well-known female speakers, and raised awareness on issues such as women's empowerment, nutrition and mental wellness.

**Hikma celebrated Women's Day across our MENA sites**



## Our focus areas

## Empowering our people continued

## Recruitment, retention and promotion

## At Hikma, our people are our most valuable asset. Empowering our global workforce is at the centre of our focus, and we want to encourage the smartest and most creative minds to choose a career with us.

We also recognise the value of retaining our talent and offer a diverse range of learning and development programmes to suit the needs of employees, so they can reach their full potential at Hikma.

### Empowering our employees through learning and development

To support our people with the robust knowledge and skills they need to advance their professional careers, we offer a broad range of learning and development (L&D) opportunities.

Our aim is to empower and encourage all our employees to manage their own professional growth strategy at Hikma through the L&D opportunities we've made available. These programmes are tailored to fit the needs of all levels of employees.

Below, we've provided an overview of our L&D platforms and programmes.

#### iLearn

This is a digital content library for our employees, containing more than 17,000 courses and 28,000 e-books, e-book summaries and audiobooks. In 2021, we expanded our library and partnered with EDRAAK and EDARA to bring Arabic content focused on management and leadership, professional development and digital skills.

During 2021, iLearn had:

- 3,821 active learners
- More than 13,000 video-based learning hours completed
- More than 41,000 courses viewed
- 6,000 reading hours completed

**3,821**  
active learners

#### Learning Mini-Bites

These are light, virtual sessions delivered in less than two hours, sharing insights on various knowledge areas without disrupting work activities. During 2021 we ran 24 of these sessions.

#### Hikma Manufacturing Academy

This is a one-year self-paced e-Learning programme to develop 100 of our supervisors and managers in the MENA region. The programme covers manufacturing, project management, finance and supply chain.

#### Hikma Supply Chain Academy

We run a one-year self-paced e-Learning programme to develop 60 employees' knowledge of our supply chain globally. It covers topics such as supply planning, demand planning, project management and warehousing.

#### Continuing education 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 Company. In 2021 we offered 17 scholarships in fields such as data science, data analytics, digital marketing and management.

#### Other learning and development highlights

- Around 35% of our employees received instructor-led training
- Around 45% of our employees received online training
- Approximately 7.7 learning hours per employee

#### Inspiring our leaders

Inspire and Lead Forward are examples of programmes we offer within our L&D portfolio that focus on leadership development for employees.

Lead Forward is designed to enrich the leadership effectiveness and capabilities of Hikma's individual contributors and people managers, enabling them to better contribute to our success. Participants have the opportunity to deepen their knowledge and understanding on how to lead, expand their ability to build productive teams, and cultivate innovation into the business's overall strategy.

Inspire is designed for all Hikma leaders responsible for developing and executing strategy. The programme hones leadership capabilities and styles in line with our culture of progress and belonging.

**17**

In 2021 we offered 17 scholarships in fields such as data science, data analytics, digital marketing and management



## Virtual Hikma Academy

We provide virtual training courses focused on developing employees' skills in a range of behavioural and managerial domains. During 2021, we delivered:

- 60 live sessions
- 47,000 instructor-led learning hours

**60**  
live sessions



## Our focus areas

### Empowering our people continued

#### Recruitment, retention and promotion continued

##### Developing our recruitment and talent acquisition

In 2021, we introduced state-of-the-art technology to improve applicants' recruitment and onboarding experience. We also worked on increasing the representation of under-represented groups at middle and senior management levels. While some good progress was made in 2021, we have realised that more work is needed, and this will continue to be a focus area in the coming years.

##### Performance management programmes

We've made improvements to our Employee Performance and Development Management Framework. This framework provides a structure for our employees to determine clarity around their objectives, goals and behaviours, as well as agreement on what is expected to be achieved. It also helps managers guide employees through their performance and development paths, including relevant training courses.

Also during 2021 we launched a Continuous Performance Management (CPM) model and tools. CPM is a core principle within our Performance and Development Management Framework. It provides employees and managers with features to track and achieve their planned objectives throughout the year and facilitates the feedback process.

##### Succession management

Our succession management work during the year included defining and interviewing potential successors to Executive Committee members. We also identified 40 mission-critical roles globally, 23 of which we consider to be highly critical and will be prioritised as part of our ongoing succession management work.

We worked on increasing the representation of under-represented groups at middle and senior management levels



## Our ambition

Our priorities for employee development in 2022 include:

- providing a diverse portfolio of learning solutions relevant to the different needs and levels within our organisation
- building managers' capabilities in people management, coaching and engagement
- continuing to develop learning paths to advance essential skills among employees
- increasing the percentage of employees trained
- increasing learning hours per employee
- further developing a culture of feedback and coaching through continuous performance management
- expanding our coaching and mentoring programme
- increasing the number of employees with individual development plans



Our focus areas



# Protecting the environment

## Reduction of GHG emissions

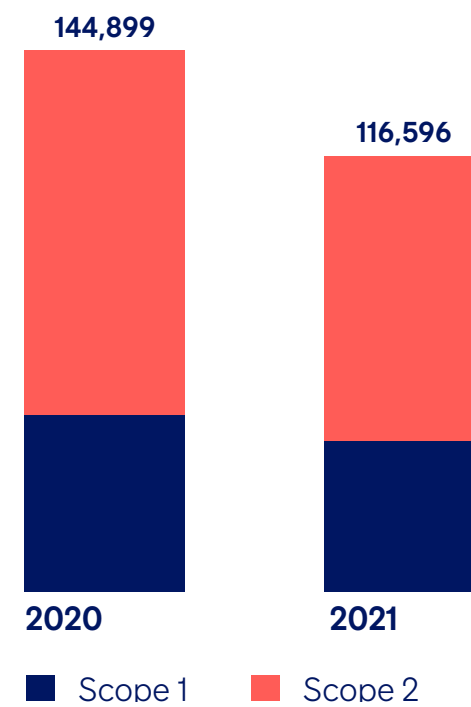
We are improving the way we monitor our environmental impacts, strengthening the oversight and management of our energy consumption, emissions, water and waste. We also continue to pursue actions to improve our energy efficiency and have developed a reduction target for Scope 1 and 2 emissions.

### GHG emissions: Scope 1 and 2

During 2021, our Scope 1 and 2 emissions (market-based) were 116,596 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). This marks a decrease between 2020 and 2021 of 19%, due largely to our continued investment in renewable energy and improved efficiencies. Using the location-based method, our Scope 1 and 2 emissions reduced by 12% between 2020 and 2021.

Our reporting of Scope 1 and 2 emissions has been prepared in accordance with our obligation to report GHG emissions. This follows the UK Companies Act (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the government's policy on streamlined energy and carbon reporting.

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



	2021	2020
Scope 1 – Combustion of fuel and operation of facilities	40,562	47,372
Scope 2 (market-based) – Electricity	76,035	97,527
<b>Total Scope 1 and 2 emissions (market-based)</b>	<b>116,596</b>	144,899
Scope 2 (location-based) – Electricity	83,942	94,949

### Notes:

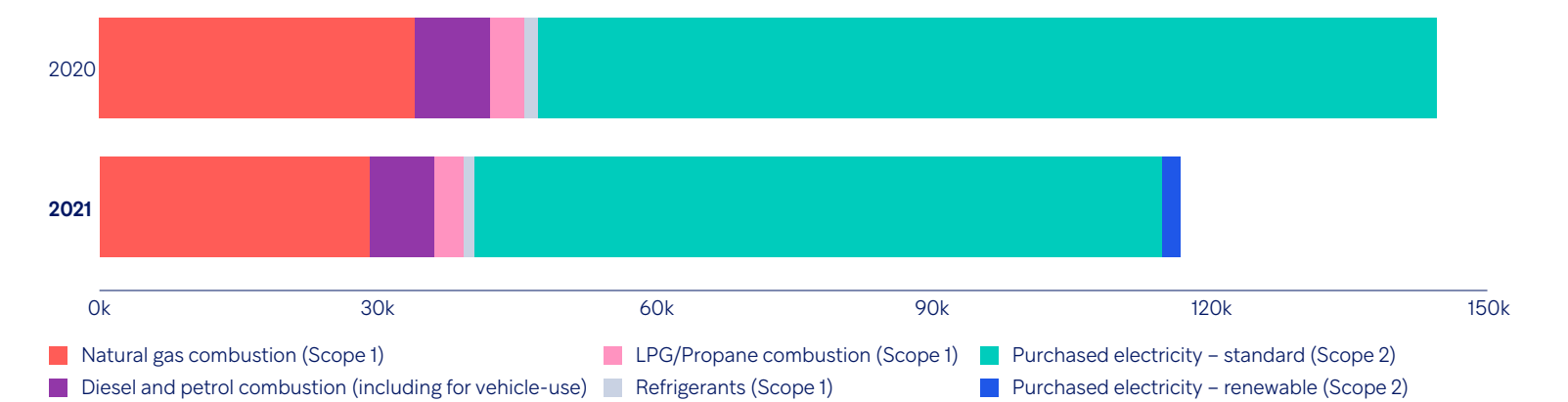
- We have revised our figures in this Sustainability Report, as the figures we published in our 2021 Annual Report were based on actual data for Q1–Q3 2021 and an estimate for Q4 consumption. The figures published here reflect actual data for Q1–Q4 2021 with only minor adjustments made to the 2021 Annual Report disclosure
- Emissions from the consumption of electricity are reported in tCO<sub>2</sub>e. However, since the International Energy Agency emission factors for electricity currently account for carbon dioxide emissions only, part of these emissions are in tCO<sub>2</sub>
- 2020 data has been revised due to improved data availability, quality, and accuracy
- Scope 2 market-based emissions include the purchase of 35,000 MWh of RECs (14,812,911 (tCO<sub>2</sub>e))

## Energy consumption (MWh)

	2021			2020		
	UK	Rest of the world	Total	UK	Rest of the world	Total
Electricity	125	209,778	209,903	129	223,634	223,763
Fuels <sup>1</sup>	–	196,986	196,986	871	217,644	218,514

<sup>1</sup> Natural gas and transportation fuels (petrol and diesel). Reported fuel use in 2020 for the UK is an estimate that was developed based on employee headcount. The 2021 disclosure is based on actual data for which there was no reported fuel consumption generated out of the UK.

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





## Our focus areas

## Protecting the environment continued

## Reduction of GHG emissions continued

Emissions intensity: revenue (\$m)<sup>1</sup>

	2021	2020
Scope 1 and 2 emissions (market-based)/revenue	45.7	61.9
Scope 1 and 2 emissions (location-based)/revenue	48.8	60.8

<sup>1</sup> Emissions intensity is calculated using Group-wide revenue (\$m)  
 – Revenue 2020: 2,341  
 – Revenue 2021: 2,553

## Our UK office

The Group operates one location within the UK, where we are listed, which is an office building that is managed by a third party.

In 2021, the UK site consumed 124,833 kWh (2020: 128,654 kWh) of energy, which is equivalent to 26 tCO<sub>2</sub>e. (The figures published here reflect actual data for Q1-Q4 2021 with only minor adjustments made to the Annual Report 2021 disclosure.)

Energy consumption is measured by meter readings provided by the managing agent and relates to electricity used for heating, cooling and general office power. The Group does not provide transport within the UK other than via private hire vehicles. Consumption data is not available for this. During the year, the UK site was assessed by an independent expert for the potential to improve energy efficiency, and recommendations were provided for future actions.

## Proportion of Group emissions derived from the UK and offshore area

The proportion of emissions generated from our UK presence amounts to 0.02% of total emissions<sup>2</sup>.

## Methodology for Scope 1 and 2

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, which includes all our facilities. Due to this boundary, joint ventures with less than 50% holding are not included as we do not have operational control.

We have adopted a materiality threshold of 5% for GHG reporting purposes. In some cases, where data is missing, it has been estimated using data from one year prior to the month to be estimated or previous year as proxy. We have then calculated an average daily consumption over that period and applied that to the number of days within the month to be estimated.

## Target

We have 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.

## Measures to improve efficiency and reduce our carbon footprint

We continue to improve the energy efficiency of our operations.

As part of our efforts to reduce our GHG emissions from our sites in the US, we supported the generation of 35,000 MWh of clean energy generated in the US in 2021 through the acquisition of RECs. Those acquired RECs were certified under the Green-e Renewable Energy Standard for Canada and the United States v3.5. This ensures strong compliance with standards, quality assurance and proper oversight.

In Germany, Italy, Portugal and Sudan, we procure a portion of our electricity from renewable sources.

In Tunisia, we installed our first combined cooling, heat and power (CCHP) system, helping to reduce costs and emissions at our locations in the country.

In other locations such as Egypt and Morocco, we continued our roll-out of more efficient LED fixtures. In Jordan, Tunisia and other locations, we installed building management systems that provide economic and sustainability benefits.

25%

We have a target to reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline



<sup>2</sup> Calculated using Scope 1 and 2 (market-based) emissions



## Our focus areas

## Protecting the environment continued

## Reduction of GHG emissions continued

## Some of our 2021 environmental sustainability highlights

1

## Environmental management at our sites

We're continuing to refine our operational standards and procedures so we can improve how we manage energy and resources. We're doing this in line with International Organisation for Standardisation (ISO) standards in several of our manufacturing facilities in MENA. In 2021, our Bayader site in Jordan received ISO 50001 Energy Management certification and our facilities in Tunisia Ibn Al-Bitar and Medicef received ISO 45001 Occupational Health and Safety and ISO 14001 Environmental Management Systems certification.

2

## Applying green chemistry methods to manufacture more sustainably

At our chemicals plant in Jordan, we're improving and refining active pharmaceutical ingredient (API) stages of manufacturing, aiming to reduce the generation of hazardous waste.

We're prioritising the use of water or class III solvents during API manufacturing, limiting the use of class II solvents as far as possible, and prohibiting use of any class I solvents in our internal manufacturing. We're also ensuring all externally sourced raw materials sourced have not used class I solvents.

Our work includes substituting the use of traditional hazardous chemicals with water, environmentally benign substances or substances involving a biocatalyst to produce high-quality APIs. Looking to the future, we aim to use technology such as flow chemistry, where applicable, instead of traditional batch mixing to further reduce the use of solvents and purification steps.

3

## CCHP project in Tunisia

In Tunisia, we developed a combined cooling, heating, and power (CCHP) project to improve energy efficiency at our sites. The project, consisting of a gas engine, an electricity generator, a heat exchanger and an absorption chiller, will improve the efficiency of operations and energy security, while reducing operating costs. The project was completed in 2021.

**ISO**  
In 2021, our Bayader site in Jordan received ISO 50001 certification

4

## Leading on environmental sustainability in Columbus, US

We achieved Silver status with the Ohio Environmental Protection Agency's Encouraging Environmental Excellence (E3) programme. This recognition from the state of Ohio demonstrates our commitment and achievements in 2021 and previous years. A key achievement was our shift from incinerating labelled paper material towards recycling and reuse.

We have also been 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. Our appointment follows our success in improving our environmental performance.

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.

5

## Expanding renewable energy

Through on-site photovoltaic installation, we have continued to expand our renewable energy capacity.

Site name	On-site renewable generation (kWh)
AMC, Jordan	130,871
APM Salt, Jordan	916,371
Hikma Jordan	318,843
Hikma Portugal	387,790

230kg

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 kilograms per month



## Our ambition

We are committed to achieving our emissions reduction targets. Our preferred approach for reducing Scope 2 emissions is to contribute to the growth of the renewable energy capacity of the grid. We will be exploring such opportunities in 2022 and onwards. In addition to our actions towards achieving our Scope 1 and 2 emissions targets, we will focus on identifying opportunities to make a meaningful impact on our Scope 3 emissions in 2022.



## Our focus areas

## Protecting the environment continued

## Reduction of GHG emissions continued

## Scope 3 emissions

Close to 90% of Hikma's calculated GHG emissions are within Scope 3 categories, as shown below. To gain a better understanding of our Scope 3 emissions, in 2021 we collaborated with Sievo Oy (Sievo) to implement its carbon analytics tool.

This digital tool builds on Sievo's spend analytics and provides greater visibility into the emissions data needed for reporting and analysis, particularly for major procurement categories, suppliers and regions. This has helped us focus on areas with the highest potential impact and identify opportunities for emissions reduction.

In line with Greenhouse Gas Protocol technical guidance for calculating Scope 3 emissions, we use a combination of a spend-based method and, wherever possible, an average-data method using Exiobase 3.4 and Ecoinvent 3.7.1 databases.

Our methodology incorporates supplier location, inflation and currency rates so we can increase the accuracy of our reporting. For our most relevant categories, shown below, full-year 2021 Scope 3 emissions are estimated at 829,621 tCO<sub>2</sub>e.

Scope 3 emissions for these categories represent 88% of all of our measured emissions to manufacture, promote and distribute our products. Other Scope 3 categories were either not significant enough for reporting or not applicable. We're aiming to engage with some of our key suppliers to obtain supplier-specific or product-level emissions data to improve our Scope 3 data quality and identify opportunities to reduce our carbon footprint.

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

Scope 3 category	Category description	tCO <sub>2</sub> e	Verification level
1	Purchase of goods and services	742,987	Limited assurance
2	Capital goods	27,694	Limited assurance
3	Fuel- and energy-related activities (FERA) (not included in Scope 1 or Scope 2)	29,376	Reasonable assurance
4	Upstream transportation and distribution	27,380	Limited assurance
5	Waste generated in operations (including water management)	2,184	Reasonable assurance
<b>Total</b>		<b>829,621</b>	

Note: We have revised our figures for this Sustainability Report, as the data published in our 2021 Annual Report was based on actual data for Q1–Q3 2021 and an estimate for Q4 consumption. Only slight adjustments have been made as compared to the Annual Report 2021 disclosures

90%

Close to 90% of Hikma's calculated GHG emissions are categorised as Scope 3

## Verification of Scope 1 and 2 and certain Scope 3 categories

We have contracted Carbon Credentials Energy Services Ltd (Carbon Intelligence) to provide independent third-party verification of direct and indirect carbon dioxide equivalent emissions (CO<sub>2</sub>e). This is provided in our 2021 Annual Report and accounts to a reasonable level of assurance in relation to ISO 14064-3 Greenhouse gases. Verified emissions by scope 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

- Fuel- and energy-related activities (not included in Scope 1 or Scope 2)
- Waste generated in operations (including water management)

Carbon Intelligence concludes with reasonable assurance, using the ISO 14064-3 standard, that the GHG assertion is materially correct, is a fair representation of the GHG emissions data and information, and is prepared in accordance with the relevant criteria. You can find the full verification statement at [www.hikma.com/sustainability](http://www.hikma.com/sustainability).

For external assurance of the remaining three Scope 3 categories (purchase of goods and services, capital goods, and upstream transportation and distribution), we worked with Sievo to assess our carbon footprint.

Sievo has contracted 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 (all together the 'Emission Information'). You can find the full assurance statement at [www.hikma.com/sustainability](http://www.hikma.com/sustainability).



## Our ambition

We aim to engage with our suppliers to obtain supplier-specific or product-level emissions data to improve our Scope 3 data quality and identify opportunities to reduce our carbon footprint.





## Our focus areas

## Protecting the environment continued

## Sustainable supply chain

**We rely on thousands of suppliers for goods and services to bring to life our purpose of putting better health within reach, every day. In 2021, we partnered with EcoVadis, a global sustainability rating company, to help us assess and improve the sustainability maturity of our supplier base across four main areas:**

- Environment
- Labour and human rights
- Ethics
- Sustainable procurement

In 2021, we worked on the development and implementation of a carbon analytics tool. For more details about this, see page 24.

In developing a more sustainable supply chain, we looked at projected carbon pricing in several regions under different climate scenarios. We also considered the potential pass-on cost that could occur within our supply chain, inflating our costs.

APIs and packaging materials are some of our most energy- and carbon-intensive procured goods, so these materials would likely be most affected by introducing carbon prices. Therefore, they formed the basis of our modelling.

We have a sustainable procurement programme in place to better understand the carbon impacts of the goods and services we procure. Through supplier engagement, we anticipate we can partly mitigate the impact of carbon pricing pass-on in the future.



## Our ambition

**We intend to engage with our main materials suppliers to understand their goals to reduce carbon, move to renewable energy, and increase energy efficiencies in their production.**

**In Q1 2022, we are training our procurement community and are proactively engaging with our top suppliers and partners to better understand and improve our supplier sustainability level.**

## Water and waste management

**We have programmes and practices in place to manage water and waste and we comply with all relevant laws and regulations in this regard.**

Effectively managing water and waste is an important topic on our environmental sustainability agenda. Water use is an essential component of the pharmaceutical manufacturing process, and we're taking steps to identify water-related risks and improve water security and stewardship. We're doing this particularly in locations that are seeing greater scarcity or are more vulnerable to climate-related risks over time.

In 2021, we conducted a water screening exercise to define and prioritise water- and climate-related risks in the short, medium and long term. The analysis used leading external indicators (WRI Aqueduct, WWF Water Risk Filter, Global Climate Risk Index 2020, and ND-GAIN Country Index) and insights obtained through our external consultant's global network of sustainability professionals to provide insights on location-specific risk conditions across our footprint.

The study also included a general climate analysis, through which we identified acute and chronic physical risks and how water-related risks might be affected by climate change in the medium and long term.

We are improving the way in which we monitor and manage our waste. As part of this, we are measuring the amount and management method of hazardous and non-hazardous waste generated through our operations.

2021		
Water		
Extracted water consumption	m <sup>3</sup>	1,065,479
Treated water consumption	m <sup>3</sup>	73,306
Discharged water consumption	m <sup>3</sup>	689,533
Waste generated	Tonnes	8,890

Note: Our data collection of waste and water is a work in progress which we continue to refine and improve. In cases where significant revisions are made, we will highlight this upon publication.

**We are measuring the amount and management method of hazardous and non-hazardous waste generated through our operations**

## Industrial waste water treatment facility in Egypt

In 2021, we installed an ultrasonic waste water flowmeter as part of our waste water treatment efforts in Egypt. This work began in 2016 with the installation of a sewage treatment plant to treat and reuse waste water for irrigation purposes. The facility will enable us to:

- eliminate all waste water discharge to the public sewage network
- direct treated water towards irrigation of 4000 m<sup>2</sup> of land
- reduce water consumption costs by 50%

## Recycling at Columbus, US

At our site in Columbus, US, we have boosted our recycling efforts to include labels, folding cartons and other material. Previously the team had only been able to send printed materials to incineration. However, after working with our shredding supplier, 29 tonnes of waste are now recycled rather than incinerated.



## Our ambition

**In 2022, our plan is to assess a few of our biggest water-using facilities and sites where we determined water security measures to be most material to our business.**

**The assessments will quantify the flows of water in a system to understand its use, reduce losses and improve water efficiency. It will result in water use improvement recommendations and enable us to improve water security for sites located in areas susceptible to water scarcity.**

**We will also work on improving our waste data and gain a better understanding of our waste management processes and procedures against best practices.**

## Our focus areas



# Building trust through quality in everything we do

## Product quality and safety

**We are committed to implementing the latest quality standards and regulatory guidelines so patients have access to safe and effective medicines. We have a global quality compliance team that continuously monitors, assesses and improves our operations in line with international quality standards. Our comprehensive quality control systems instruct how we manufacture, outsource and distribute our products globally.**

Product quality is managed and maintained by sites' local teams and 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 to ensure 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.

### GMP and GMP-related quality audits at our sites

- External audits in 2021 : **116**
- Internal audits in 2021: **28**

We perform product testing when we release products to the market. We also carry out stability monitoring testing annually, so we can monitor products' conformance to specifications. We conduct tests on product samples whenever required, particularly as a result of regulatory requests or during customer complaint investigations.

Our products are subject to regulatory approval before they're introduced into our markets. Regulatory approval varies, depending on local requirements, and may include approvals or certifications from the US Food and Drug Administration (FDA), local ministries of health or the European Medicines Agency (EMA).

Process-related approvals may include International Organisation for Standardisation (ISO) certifications or alignment with Hazard Analysis Critical Control Point (HACCP) guidelines, based on the market in question and local regulatory requirements. Frequent Current Good Manufacturing Practice (cGMP) audits are conducted to verify our sites' adherence and implementation of GMP regulations and internal quality standards.

All products are tested and cannot be released to be used by patients unless they fully comply with preset specifications. We perform product stability studies to verify that the product will remain compliant with specifications across its life cycle.

We have established agreements with reputable good manufacturing practice (GMP) consultation entities, which perform audits for our sites and those of our suppliers. Most of our drug products tests are performed in-house. However, tests on certain products are also performed by reputable and qualified specialised laboratories.

Our oversight extends to our suppliers, where we take steps to make sure they're following the latest regulatory standards. We have established quality agreements with these suppliers, and frequent GMP audits are conducted by our corporate quality team and other third-party consultants.

### Our commitment to patient safety

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





## Our focus areas

Building trust through quality in everything we do continued

### Product quality and safety continued

#### Patient safety approach

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. The function 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 patient and public health. Our Drug Safety Committee reviews and evaluates any safety concerns and alerts the regulatory authorities of any emerging safety issues.

We conduct our pharmacovigilance activities globally, for all our approved products, throughout the products' life cycle, and in accordance with:

- requirements of good pharmacovigilance practice
- local pharmacovigilance regulations and regulatory requirements
- agreements with our contractual partners

All our employees receive induction and continuous training on how to report an adverse event or other safety issue. In December 2021, 98% of our employees had completed the mandatory Pharmacovigilance 101 eLearning course<sup>1</sup>.

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 in the global pharmacovigilance monthly meeting.

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
- distributors

**98%**

In December 2021, 98% of our employees had completed the mandatory Pharmacovigilance 101 eLearning course

Our pharmacovigilance compliance metrics and any findings from pharmacovigilance audits and inspections, as well as their related corrective and preventive actions (CAPAs) and status, are monitored and reviewed in the pharmacovigilance-quality quarterly meeting.

Our Global Pharmacovigilance Business Continuity Plan was established to make sure we continuously deliver our critical pharmacovigilance activities.

#### How we performed

In 2021, we processed more than 11,000 individual case safety reports relating to our products. We reported more than 8,000 cases to regulatory authorities worldwide, and prepared and submitted over 800 aggregate reports for our approved compounds.

In 2021, our submission compliance rate was 99% for both cases and aggregate reports.

Worldwide compliance with reporting requirements	2021	2020	2019
Individual case safety reports submission compliance rate	99%	98%	99%
Aggregate reports submission compliance rate	99%	100%	96%

<sup>1</sup> This was calculated by dividing the number of employees who haven't completed the training on time by the total number of eligible Hikma employees and includes existing and new employees

**99%**

In 2021, our submission compliance rate was 99% for both cases and aggregate reports



### Our ambition

As part of our continuous improvement process, our 2022 goals include transitioning to a new SOP management system. Our aim is to reduce manual effort and increase compliance and overseeing the performance of PV activities globally to ensure compliance with good pharmacovigilance practices (GVP), local PV regulations and regulatory requirements, and agreements with contractual partners.





## Our focus areas

Building trust through quality in everything we do continued

### Ethics and compliance

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

We respect and uphold the principles of the Universal Declaration of Human Rights. Our values serve as the foundation for a strong governance framework that is fundamental to our long-term organisational success.

#### Code of Conduct

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 and government sanctions.

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

### 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 any 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.

Our Code of Conduct sets out our policy on modern slavery.

### Steps taken in 2021 to safeguard against modern slavery

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. Overall, new and existing vendors, representing 96% of our annual spend, 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 in 2021.

**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 ambition

- Completing the capture of all third-party details (both new and existing) on RiskRate
- 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

### 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.



### Our focus areas

Building trust through quality in everything we do continued

#### Governance

**During the year, we reviewed our corporate governance approach, made improvements, and confirmed the strength of our existing arrangements**

Read more in the corporate governance section of our Annual Report



#### Governance of ESG and sustainability

In 2021, we conducted a Group-wide review of our ESG strategy. As part of this review, we re-examined which ESG issues are of greatest importance to Hikma as well as our key stakeholders.

Read more in Prioritising the right issues section on (page 8)



While certain elements of our ESG strategy are governed by various Board committees, we determined in 2021 that our Board of Directors would have the overarching oversight of our ESG strategy, including environmental aspects and TCFD strategy and reporting. Our full TCFD disclosure can be found in our Annual Report 2021.

Our Executive Vice President (EVP) of Business Operations, who reports directly to our CEO, leads our ESG reporting as well as our internal cross-functional working group integrating TCFD into our business.

Read more in the statement by our EVP of Business Operations on (page 5)

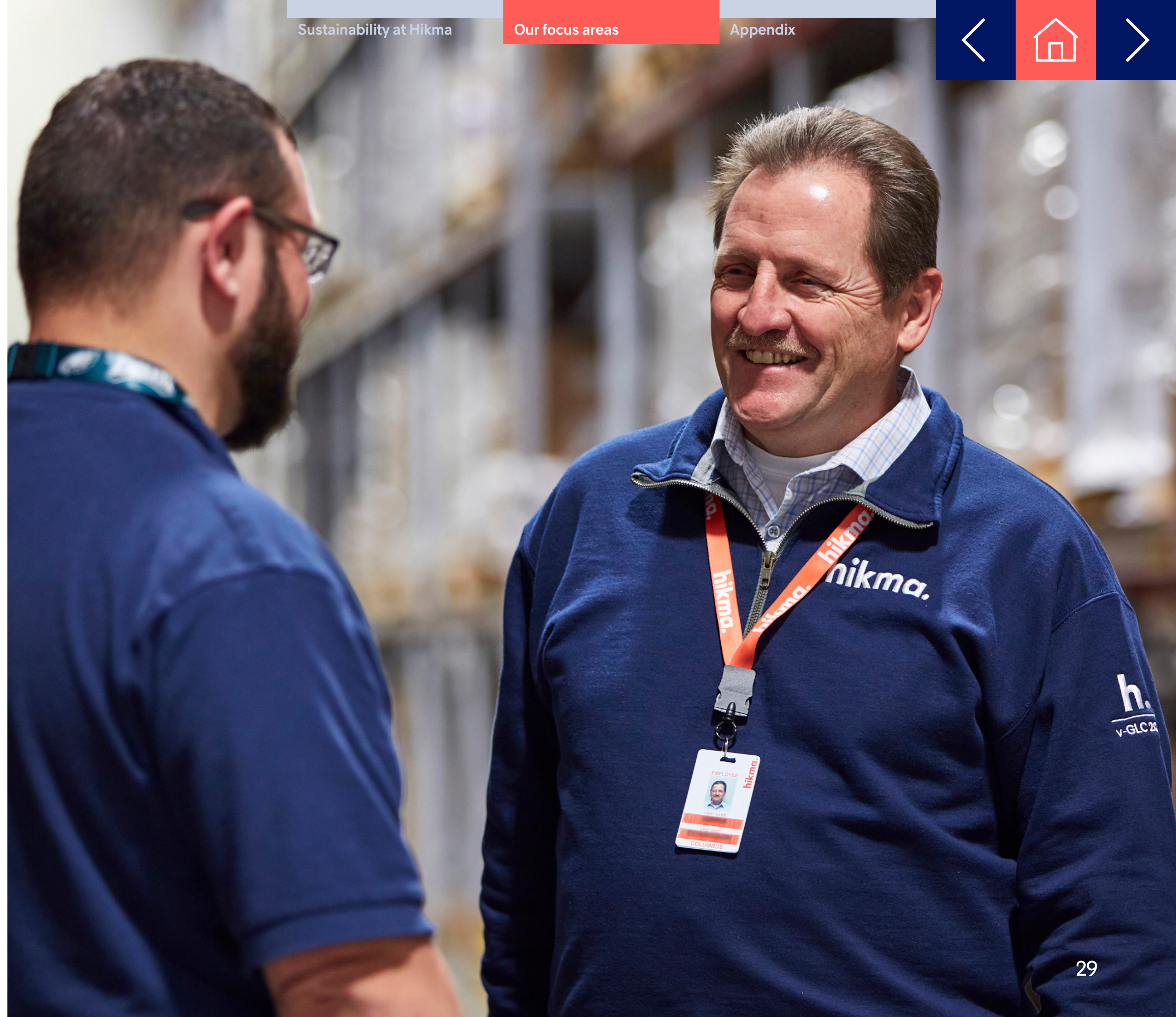


Our CSR strategy is governed by the Compliance, Responsibility and Ethics Committee.



### Our ambition

We aim to maintain engagement with stakeholders to continue refining our materiality assessment. Our goal for future years is to conduct a more robust materiality assessment.





# Appendix

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

Aligning with the United Nations Global Compact  
GRI index

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# 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 28](#)

## Labour

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

[Read more on page 28](#)

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

[Read more on page 28](#)

**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 on page 28](#)

## 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 21](#)

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

[Read more on page 21](#)

## Anti-corruption

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

[Read more on page 28](#)



# 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.

GRI indicator	Description	Our response
<b>Organisational profile</b>		
Disclosure 102-1	Name of the organisation	Hikma Pharmaceuticals PLC
Disclosure 102-2	Activities, brands, products, and services	<a href="https://www.hikma.com/products/">https://www.hikma.com/products/</a>
Disclosure 102-3	Location of headquarters	Annual Report 2021; page 188
Disclosure 102-4	Location of operations	This report, page 7
Disclosure 102-5	Ownership and legal form	Annual Report 2021; pages 112–113
Disclosure 102-6	Markets served	<a href="https://www.hikma.com/about/worldwide/">https://www.hikma.com/about/worldwide/</a>
Disclosure 102-7	Scale of the organisation	Annual Report 2021; pages 2–3
Disclosure 102-8	Information on employees and other workers	Annual Report 2021; pages 2–3
Disclosure 102-9	Supply chain	Annual Report 2021; pages 2–3, 16
Disclosure 102-10	Significant changes to the organisation and its supply chain	No significant changes
Disclosure 102-11	Precautionary principle or approach	Annual Report 2021; page 50
Disclosure 102-12	External initiatives	Throughout this report
Disclosure 102-13	Membership of associations	This report, page 10
<b>Strategy</b>		
Disclosure 102-14	Statement from senior decision-maker	This report, A message from our CEO
Disclosure 102-15	Key impacts, risks, and opportunities	Annual Report 2021; pages 50–51, 54–65
<b>Ethics and integrity</b>		
Disclosure 102-16	Values, principles, standards, and norms of behaviour	Annual Report 2021; pages 8, 9, 20, 37
Disclosure 102-17	Mechanisms for advice and concerns about ethics	Annual Report 2021; page 48





Appendix  
GRI index continued

GRI indicator	Description	Our response
<b>Governance</b>		
Disclosure 102-18	Governance structure	<a href="https://www.hikma.com/investors/corporategovernance/">https://www.hikma.com/investors/corporategovernance/</a>
Disclosure 102-20	Executive-level responsibility for economic, environmental, and social topics	Annual Report 2021; pages 49, 50, 67
Disclosure 102-21	Consulting stakeholders on economic, environmental, and social topics	This report, Prioritising the right issues
Disclosure 102-22	Composition of the highest governance body and its committees	Annual Report 2021; pages 74–90
Disclosure 102-23	Chair of the highest governance body	Annual Report 2021; page 67
Disclosure 102-24	Nominating and selecting the highest governance body	<a href="https://www.hikma.com/investors/corporategovernance/">https://www.hikma.com/investors/corporategovernance/</a>
Disclosure 102-25	Conflicts of interest	Annual Report 2021; pages 59, 76, 110
Disclosure 102-27	Collective knowledge of highest governance body	Annual Report 2021; page 68
Disclosure 102-28	Evaluating the highest governance body's performance	Annual Report 2021; pages 75–76
Disclosure 102-29	Identifying and managing economic, environmental, and social impacts	This report, Prioritising the right issues
Disclosure 102-30	Effectiveness of risk management processes	Annual Report 2021; pages 50–52, 54–65
Disclosure 102-31	Review of economic, environmental, and social topics	This report, Prioritising the right issues
Disclosure 102-32	Highest governance body's role in sustainability reporting	This report, Prioritising the right issues
Disclosure 102-35	Remuneration policies	Annual Report 2021; pages 79, 89–110



Appendix  
GRI index continued

GRI indicator	Description	Our response
<b>Stakeholder engagement</b>		
Disclosure 102-40	List of stakeholder groups	Annual Report 2021; pages 12–17
Disclosure 102-41	Collective bargaining agreements	This report, page 28
Disclosure 102-42	Identifying and selecting stakeholders	Annual Report 2021; pages 12–17
Disclosure 102-43	Approach to stakeholder engagement	Annual Report 2021; pages 12–17
Disclosure 102-44	Key topics and concerns raised	Annual Report 2021; pages 12–17
<b>Reporting practice</b>		
Disclosure 102-45	Entities included in the consolidated financial statements	Annual Report 2021; pages 176–178
Disclosure 102-46	Defining report content and topic boundaries	This report, Prioritising the right issues
Disclosure 102-47	List of material topics	This report, Prioritising the right issues
Disclosure 102-50	Reporting period	2021
Disclosure 102-51	Date of most recent report	February 2021
Disclosure 102-52	Reporting cycle	Annually
Disclosure 102-56	External assurance	Annual Report 2021; pages 47, 83, 116
<b>Management approach</b>		
Disclosure 103	Management approach	Throughout this report
Disclosure 103-1	Explanation of the material topic and its boundary	This report, Prioritising the right issues
Disclosure 103-2	The management approach and its components	Throughout this report
Disclosure 103-3	Evaluation of the management approach	Throughout this report
<b>Economic performance</b>		
Disclosure 201-1	Direct economic value generated and distributed	Annual Report 2021
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	Annual Report 2021; page 51



Appendix  
GRI index continued

GRI indicator	Description	Our response
<b>Indirect economic performance</b>		
Disclosure 203-2	Significant indirect economic impacts	Throughout this report
<b>Anti-corruption</b>		
Management approach		This report, page 28
<b>Energy</b>		
Disclosure 302-1	Energy consumption within the organisation	This report, page 21
Disclosure 302-2	Energy consumption outside of the organisation	This report, page 24
Disclosure 302-4	Reduction of energy consumption	This report, page 21
<b>Water and effluents</b>		
Disclosure 303-3	Water withdrawal	This report, page 25
Disclosure 303-4	Water discharge	This report, page 25
Disclosure 303-5	Water consumption	This report, page 25
<b>Emissions</b>		
Disclosure 305-1	Direct (Scope 1) GHG emissions	This report, page 21
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	This report, page 21
Disclosure 305-3	Other indirect (Scope 3) GHG emissions	This report, page 24
Disclosure 305-4	GHG emissions intensity	This report, page 22
Disclosure 305-5	Reduction of GHG emissions	This report, page 21
<b>Effluents and waste</b>		
Management approach		This report, page 25



Appendix  
GRI index continued

GRI indicator	Description	Our response
<b>Climate change</b>		
Management approach		This report, Protecting the environment Annual Report 2021; page 50
<b>Employment</b>		
Disclosure 401-1	New employee hires and employee turnover	Annual Report 2021; page 42
<b>Occupational health and safety</b>		
Management approach		This report, page 18
<b>Training and education</b>		
Management approach		This report, Recruitment, retention and promotion
Disclosure 404-1	Average hours of training per year per employee	This report, Recruitment, retention and promotion
Disclosure 404-2	Programmes for upgrading employee skills and transition assistance programmes	This report, Recruitment, retention and promotion
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	This report, Recruitment, retention and promotion
<b>Diversity and equal opportunity</b>		
Management approach		This report, page 18
<b>Human rights assessment</b>		
Management approach		This report, page 28
<b>Local communities</b>		
Management approach		This report, Corporate social responsibility
Disclosure 413-1	Operations with local community engagement, impact assessments, and development programmes	This report, Corporate social responsibility



Appendix  
GRI index continued

GRI indicator	Description	Our response
<b>Supplier local assessment</b>		
Disclosure 414-1	New suppliers that were screened using social criteria	This report, Sustainable supply chain
<b>Public policy</b>		
Disclosure 415-1	Political contributions	Annual Report 2021; page 111
<b>Customer health and safety</b>		
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	This report, Product quality and safety

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**hikma.**