

CORPORATE RESPONSIBILITY REPORT

ENSURING THE SUSTAINABILITY OF OUR BUSINESS

ONE OF THE VIRTUES WE VALUE MOST AT HIKMA IS QUALITY,
NOT JUST PRODUCT QUALITY, BUT QUALITY IN EVERYTHING WE DO





Since the Company was founded in 1979, we have been committed to honesty, integrity and the highest possible standards in everything we do. We are dedicated to the welfare and education of our employees, committed to the communities in which we work and determined to preserve and protect the environment in which we operate. These principles have guided us for the past 30 years and will continue to do so in the future.

Our five-year Corporate Responsibility ("CR") plan, which takes us from 2010 to 2015, revolves around two broad themes, wellbeing and education, and four key platforms, our people, our community, our environment and ethics. These platforms reflect Hikma's genuine commitment to its stakeholders and its dedication to fully integrate CR within its business strategy.

We believe the CR Strategy in place will further enhance Hikma's reputation, support both the global health and environment agendas, and support a culture of global community engagement. We continuously aim for Hikma to be internationally acknowledged as a committed and responsible global business.

Reporting

For the fourth year, we continued to use the Global Reporting Initiative's G3 guidelines as a benchmark tool. We remain focused on indicators relevant to our business and our stakeholders; these indicators cover community investment, environmental impacts, employees and labour practices.

People

We have always recognized that our people are our most important asset. We have a talented and diverse workforce, which reached approximately 5,400 employees in 2010. To successfully grow our business, we are continuously seeking new ways to develop and reward our people.

Developing our people

With our commitment to maintaining the highest quality standards and cGMP (current good manufacturing practices), technical training continued to be a top priority across the Group in 2010. Our Continuing Education Scheme, which supports employees in fully-funded further education programmes, also continued successfully in 2010, as did our ongoing graduate development programmes and management rotation plans.



HIKMA'S DAY AGAINST DIABETES *Amman, Jordan*

The aim of the campaign is to raise public awareness about diabetes and to promote a healthy lifestyle to combat the spread of one of the most challenging health conditions.

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Rewarding our people

During 2010, we continued to develop our remuneration plans for the Group. We are working with the Hay Group and other international consultancy firms to improve employee compensation, benefits and working conditions. In 2010, our employees benefited from an employee savings fund, share-based LTIP and MIP incentive programmes, medical and life insurance and bonus schemes, where possible.

Communication

As our business grows, both in terms of the number of employees and across new geographies, we are continuously working to improve our internal communications. Through bi-annual management briefings, Hikma’s internal quarterly magazine and our “Ask your CEO” initiative, we are able to relay key messages regarding the strategy and performance of the business, articulate the short- and long-term business priorities, recognise employee achievements and address any employee questions or concerns. Through these tools, and our “open-door” policy, we have been able to maintain our close family culture of openness and respect.

Health and Safety Policy

We cannot operate successfully and deliver quality products without ensuring the health and wellbeing of our employees. Communication of Hikma’s Health and Safety policy – to meet and, where possible, exceed all the labour laws and regulations with regards to workplace health and safety in all the countries in which we operate – continued to be a priority in 2010.

Health awareness

As a leading pharmaceutical company, Hikma aspires to prepare its employees to be leaders in health. By raising awareness about obesity and other diseases and by setting an example for healthy nutrition and lifestyle, Hikma hopes to lead the way for all its employees.

In 2010, significant events were organised to raise health awareness including:

- “You Are Hikma” campaign
Raising awareness within the Group regarding health, safety, and the environment at Hikma and in the broader community
- Hikma’s Day against Breast Cancer
Events and activities focused on awareness, early detection and health screening
- Hikma’s World Heart Day
Raising awareness about heart diseases and prevention in conjunction with the World Heart Federation’s World Heart Day
- Hikma Anti-Obesity campaign
Awareness campaign and obesity screening

Community

In 2010, we continued to seek new ways for our employees to engage with their local communities.

Hikma’s Global Volunteering Day

The Hikma Global Volunteering Day, held in April each year, aims to encourage more and more employees in our different units to invest time in their local communities. This year, Hikma celebrated its global volunteering day by supporting cancer patients. Over 1,300 employees in 10 Hikma locations participated in mid-April 2010 by donating blood, cleaning and painting hospitals and grounds, fundraising, spending time with patients, entertaining children and organising awareness campaigns and lectures for Hikma employees.

Development and education

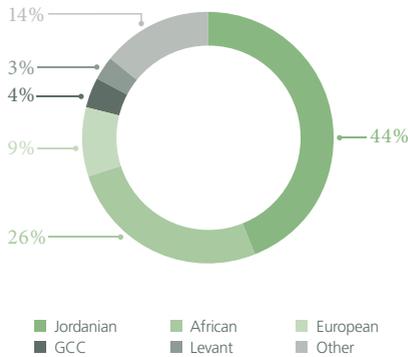
We are active in our communities throughout the year through a number of other initiatives, including providing funding for students in the fields of Technical Pharmacy and Applied Medical Sciences. The time, interest and funding that we provide to local students is a real indication of our ongoing commitment to the communities in which we work. Over the long term, these efforts should also help to ensure that we can continue to attract well-trained employees in each of the markets in which we are operating.

HIKMA’S GLOBAL VOLUNTEERING DAY
Amman, Jordan

In 2010, Hikma celebrated its global volunteering day by supporting cancer patients. On the occasion, Jordanian employees planted seedlings at The King Hussein Cancer Centre.



NATIONALITY HEADCOUNT
AS AT DECEMBER 2010



Giving

Across the Group, we continued in 2010 to give generously to local causes, to donate medicines to NGOs and to support communities in crisis. Examples include donating in kind to the World Economic Forum’s Disaster Relief Network, sponsoring the 2010 King Hussein Cancer Center summer camp, supporting the Children’s Museum Jordan, sponsoring SOS Children’s Villages, and donating to the Palestinian Association for Children’s Encouragement of Sports (PACES).

Global Fund to fight AIDS, TB and Malaria

Hikma continues to support the Global Fund to fight AIDS, TB and Malaria. In December 2010, the MENA Chapter launched its first awareness and advocacy campaign.

The campaign’s objective was to raise awareness about infectious disease and preserving human rights for infected patients within the community.

Environment

In 2010, we continued to work on reducing our impact on the environment across our businesses, while at the same time meeting our corporate and business requirements to reduce costs and operate more efficiently.

Hikma’s Environmental Policy

This year, we focused on disseminating our Environmental Policy through awareness campaigns and “You are Hikma” training sessions.



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Hikma’s Environmental Policy’s five key pledges:

1. To integrate our environmental policy across the Group;
2. To reduce our impact on climate change;
3. To comply with environmental legislation and regulation in every country in which we operate;
4. To strive for continuous improvement in our environmental protection; and
5. To implement and develop ISO 14001 or its equivalent at every production site across the Company.

Measuring our impact

During the year, we successfully obtained a continuity certification for ISO 14001 in our

main units in Jordan and Saudi Arabia and/or equivalent accreditations elsewhere. We also performed a thorough assessment of carbon emissions in our operations in Jordan. This analysis is based on the Carbon Disclosure Project framework and will provide valuable insights on how to measure emissions and on which steps to take to reduce emissions across the Group in the coming years. GRI data collection also helped to heighten awareness of energy usage in 2010 and helped to identify areas for improvement.

Ethics

Hikma is committed to the highest ethical principles and we endeavour to ensure that all our employees conform to the highest possible standards of integrity and honesty.

We are members of the Global Compact, a UN-sponsored initiative for businesses committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Hikma remains committed to upholding these principles and embedding them into its operations. We submitted our Communication on Progress Report for the second consecutive year in December 2010 ensuring our active membership in the United Nations Global Compact.

We have updated our Supplier practices audit to become more comprehensive and in line with international best practice. Suppliers Audit questionnaires relate to the environment, human rights, child labour, anti bribery measures and other relevant issues.



OUR PLATFORMS

COMMUNITY

We do not exist in isolation. We wish to engage in our local communities, recognising the importance of establishing a strong community footprint in all countries of operation.

Aim

Building our brand

PEOPLE

Our people are our greatest asset. They are ambassadors for the company and we aim to support them as fully as possible through training, welfare and recognition and by supporting diversity.

Aim

Making us stronger

ENVIRONMENT

Limiting our environmental impact is a priority. We are working to establish a sustainable presence in our communities through recycling, waste reduction and energy efficiency.

Aim

Efficient use of resources

ETHICS

We are committed to the highest ethical principles and encourage all our counterparties to conduct business at the highest possible standards.

Aim

Preferred partner for business

ACTING RESPONSIBLY

- Global Volunteering Day
- Partnership with the Jordan River Foundation Fundraising for local homeless groups, disadvantaged families and the elderly

- Professional and technical training and development
- Transparent remuneration structure with job grading and levelling
- Compliance with health and safety regulation

- You are Hikma
- Energy and water conservation, recycling and waste management
- Solvency recovery pilot
- Carbon Disclosure Project

- Member of UN Global Compact
- Member of PACI
- Audit of main suppliers' employment practices

WELLBEING

- Partnering with the Global Fund to fight AIDS, TB and Malaria
- Distribution of free medicines
- Local fundraising for research and treatment of chronic diseases

- Hikma's Day against Breast Cancer
- Hikma's Day against Diabetes
- Free breast exams and mammograms for all employees

- Local clean water initiatives
- Focus on hazardous waste reduction

- Stakeholder engagement
- Adherence to highest quality standards across our global business

EDUCATION

- Funding students in the fields of Technical Pharmacy and Applied Medical Sciences
- Educational bursaries
- Community open days at Hikma
- Internships and work experience

- Staff education seminars
- Awareness sessions on key diseases
- Health and safety training for all employees

- Environmental awareness lectures
- Awareness campaigns
- Staff training

- Staff training on Global Compact principles

GRI REPORTING

- EC1 – Direct economic value generated (including revenues, costs, donations, investments)
- EC8 – Development and impact of infrastructure investments for public benefit

- LA7 – Rates of injury, disease, lost days, absenteeism
- LA10 – Average hours of training per employee per category
- SO3 – Percentage of employees trained in anti-corruption policies

- EN3 – Direct energy consumption
- EN8 – Total water withdrawal
- EN22 – Total weight of waste

- PR1 – Life cycle stages in which H&S impact of products are measured for improvements
- HR2 – Percentage of suppliers/contractors undergone human rights screening