Better health. Within reach. Every day.

Shaping a healthier world

Annual Report 2024

Better health. Within reach. Every day.

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

Shaping a healthier world...

by developing our pipeline in growing therapeutic areas

Read more on page 10

by focusing on quality manufacturing

Read more on page 16

by expanding our patient reach

Read more on page 22

by investing for the future

Read more on page 34

by leveraging our role as a leading healthcare provider in MENA

Read more on page 38

Financial highlights

Revenue	Core[1] revenue	Operating profit
$3,127m	**$3,156m**	**$612m**
+9% 2023: $2,875m	+10% 2023: $2,875m	+67% 2023: $367m

Core operating profit	Profit to shareholders	Core profit to shareholders
$719m	**$359m**	**$495m**
+2% 2023: $707m	+89% 2023: $190m	+1% 2023: $492m

Basic earnings per share	Core basic earnings per share[2]	Dividend per share
162c	**224c**	**80c**
+88% 2023: 86c	0% 2023: 223c	+11% 2023: 72c

Non-financial highlights

Value of our donated medicines	Reduction in Scope 1 and 2 GHG emissions since 2020[3]
$4.1m	**15%**
2023: $4.9m	2023: 15%

Employee engagement score	Employee enablement score
73%	**69%**
2020: 73%	2020: 64%

Delivering strategic progress and strong financial results

Driving top-line growth
double-digit Group core revenue growth

Adding differentiation
to the portfolio through acquisition and partnerships

Increasing scale
of our manufacturing through automation and increased capacity

Investing for the future
4.5% of Group core revenue invested in R&D for continued growth

Expanding our portfolio
132 products launched

Positive outlook
as we build on strong momentum with a clear strategy for growth

Contents

1. Core results are presented to show the underlying performance of the Group, excluding the exceptional items and other adjustments set out in Note 6 of the Group consolidated financial statements
2. Core basic earnings per share is reconciled to basic earnings per share in Note 14 of the Group consolidated financial statements
3. We have committed to reducing Scope 1 and Scope 2 greenhouse gas emissions (market-based) by 25% by 2030, using a 2020 baseline year. For reporting in this Annual Report, we have used data from January to September of 2024 and conducted an uplifting exercise to estimate quantities for October to December 2024. More information on this methodology can be found on our website

What we do

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

Our markets

North America

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

61.5%
Group core revenue

c.2,350
Employees

MENA

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

31.2%
Group core revenue

c.5,800
Employees

Europe and rest of the world

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

7.3%
Group core revenue

c.1,350
Employees

Global reach

9,500 Employees

9 R&D centres

800+ Products

29 Manufacturing plants

Manufacturing plants · R&D centres · Corporate HQ

A culture of progress and belonging

We are one Hikma, supporting each other, driving onwards, growing our business and pursuing our collective promise – to put better health within reach, every day. At the heart of this are our three values: innovative, caring and collaborative

Our purpose

Better health. Within reach. Every day.

Our values

Innovative
Caring
Collaborative

Our business segments

Injectables

We supply hospitals across our markets with generic and specialty injectable products, supported by our manufacturing facilities in the US, Europe and MENA.

Read more on page 32

Branded

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

Read more on page 36

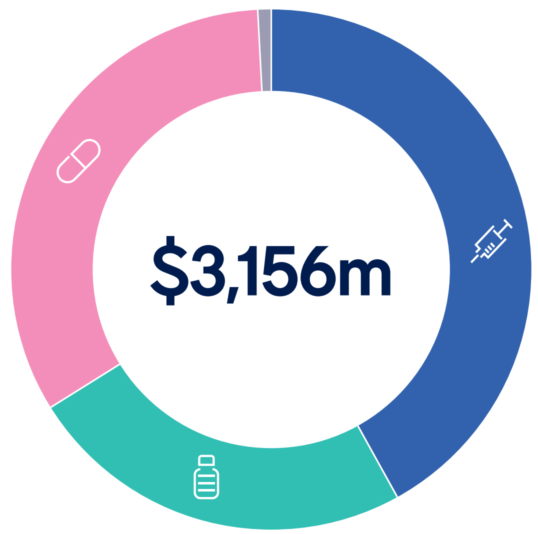
Generics

We supply oral, respiratory and other generic and specialty products to the North American retail market, leveraging our state-of-the-art manufacturing facility in Columbus, Ohio.

Read more on page 40

Segmental core revenue

Injectables **$1,324m** 2023: $ 1,203	Branded **$769m** 2023: $714m
Generics **$1,037m** 2023: $937m	Other **$26m** 2023: $21m



Executive Chairman's statement

Everything we do is driven by the needs of our patients. I am grateful to all our people who have spent another year working hard to ensure we continue to put better health within reach, every day.

Helping shape a healthier world

Hikma was founded, and continues to operate, as a purpose-driven organisation. We started out over 45 years ago bringing high-quality, essential medicines to markets in the Middle East and North Africa (MENA). We have evolved into a global healthcare company, playing a critical role serving patients across North America, Europe and MENA.

In 2024 we have continued to deliver on our mission to help shape a healthier world, and our leadership teams are advancing this agenda across our markets. We have been launching new products, signing partnerships, investing more into research and development, building new manufacturing plants, and deploying capital through acquisition to ensure we are well placed for continued growth.

Serving our stakeholders

We have a wide range of stakeholders and you can read about how we engage and address their needs on page 24 of this Annual Report. Our shareholders are our owners, and we regularly engage with our investor base, take time to listen to them and ensure they understand both our financial performance and our strategic direction. Our CEO, Riad, will discuss strategy more in the following pages.

Our customers include hospitals, pharmacists, buying groups, and of course patients. Of critical importance to this group is quality and reliability of products, and this reflects our own priorities. Quality is integrated into all that we do – we are regularly inspected by the US FDA and other local authorities and we value the input we get through these interactions. You can read more about our quality focus on page 60 of this report.

Another stakeholder group critical to our success is our people. Our people are Hikma, and they bring us a huge amount of expertise as well as ideas on what more we can do to deliver our purpose. We are focused on how we can retain and recruit the best talent. When I visit our sites around the world, I always value the time I spend talking with people in our operational facilities and offices. We have an impressive team, and this gives me confidence that Hikma's future remains bright.

Governance

In 2024, we continued to ensure that the whole Board is engaging closely with the business and contributing their expert and independent viewpoints to the running of Hikma. As well as our regular meetings in London, we took the opportunity to meet at our facility in Casablanca, Morocco. These off-site Board meetings are a fantastic opportunity for our Directors to see more of Hikma and meet with the people who are critical to our success. You can read more about the Board's activities and the Casablanca trip in the Corporate governance section on pages 103 of this report.

Looking ahead

While I regularly reflect on how far Hikma has come, and the importance we place on providing access to healthcare in our markets, I am most excited about what more we can do. The leadership team are ambitious, with varied and complementary strengths, giving me great confidence in Hikma's ability to continue to grow for many years to come. With our pipeline, the investment into our manufacturing plants, our strong relationships with customers and suppliers, and our solid financial footing, we are perfectly placed to grow and support patients across our markets.

Said Darwazah
Executive Chairman

"I have confidence in our strategy and the leadership team in place to deliver on it, and drive future growth."

CEO Statement

I am pleased with the excellent financial performance we have delivered during my first full year as CEO, ahead of initial expectations, and I am more confident than ever that we have the right strategy in place to deliver growth for many years to come.

Reflecting on my first full year as CEO of Hikma, I am proud of the significant strides forward we have made in 2024. This year has been marked by a robust financial performance, strategic deployment of capital, the strengthening of our leadership team, and a renewed focus on innovation and sustainability.

I have been working closely with both our Executive Committee and the Leadership Council, in executing our broader strategy. We are ensuring the Group is differentiated and positioned for sustained growth and innovation.

Strong financial performance

I am delighted with the outcome of our hard work in 2024. Group core revenue grew 10% (reported growth of 9%), ahead of the expectations we set out last February, and upgraded in August.

In a year where we had a significant, one-off, profit headwind in our Generics business, I was also pleased with the slight growth in Group core operating profit, again ahead of our upgraded expectations.

Injectables

We had another successful year in Injectables. We delivered an impressive top-line performance, with strong revenue growth in each of our three geographies and core operating profit growth for the division of 5%.

During the year we were successful in acquiring the US finished dosage form business of Xellia Pharmaceuticals. This acquisition will diversify and enrich our injectables portfolio and pipeline, expand our manufacturing capacity, bringing complex manufacturing technologies, and support the long-term growth of the Injectables business.

We continued to broaden and diversify our portfolio, with 89 new launches across the business. On top of this, we added products through the Xellia acquisition, which also enhanced our pipeline. With our new R&D centre in Zagreb complementing our existing footprint, we are well positioned to develop more complex products over the medium term. We are also enhancing our differentiation through partnership, one example in 2024 being the launch of our first GLP-1 product in December, liraglutide.

Our MENA Injectables business remains a solid contributor to growth, with both biosimilars and our own portfolio of medicines contributing to the strong performance. In Europe, double-digit sales of our own medicines underpinned growth in our key markets. We also continue to pursue CMO opportunities where we see value for both us and our strategic partners.

Branded

I am hugely proud of the progress our Branded business has made in recent years. In 2024, we grew core revenue 8% and core operating profit an impressive 11% with core operating margin expanding to 24.6%. This business has seen a step change in margin over the past two years, driven by product mix as we increasingly focus on higher value medicines. Our focus on therapeutic areas such as cardiovascular, diabetes, and oncology is allowing us not only to address critical healthcare challenges effectively, but also to provide a consistent and more profitable revenue stream.

The performance is strong across our markets and I am excited by the plans of our leadership teams on the ground to keep delivering growth. During the year we hosted both our Board and several of our investors during two visits to our site in Casablanca, Morocco. These showcased the strength of our facilities and the ambitions we have to become the leading healthcare company in MENA. Both groups came away more knowledgeable on our strengths in the region and excited for the future potential.

Generics

Our Generics business is on a very firm footing. We generated over $1 billion in revenue for the first time, with margins in line with our expectations. We are delivering growth in our more complex products, such as our generic Advair Diskus® dry powder inhaler, we increased our market share in sodium oxybate, and our leading nasal spray franchise performed well in 2024. Operating profit was lower than the exceptionally strong result we delivered in 2023 due to the expected increase in royalties payable on our authorised generic of sodium oxybate.

We have strengthened our teams across this business, including the appointment of Hafrun Fridriksdottir, our new President of Generics, and a new head of Generics R&D with significant respiratory experience. With their expertise, we are sharpening our focus on R&D to ensure we are investing in the right products and executing projects effectively.

We are also working to maintain and enhance our manufacturing strength. Importantly, we are delivering our strategy to grow our CMO offering. We signed a new contract in 2024 which we expect to start contributing meaningfully in 2027. This will help support medium-term revenue growth and profitability for Generics.

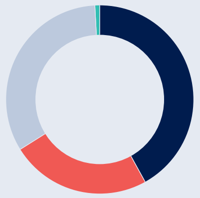
We have also focused on maximising the potential of our specialty products and post-year end, signed a partnership agreement with Emergent BioSolutions to market our Kloxxado® naloxone nasal spray.

Our clearly defined strategy

I set out our refreshed strategy in this letter last year, and I am pleased with the progress we are making against our key priorities and how we are putting our plans into action.

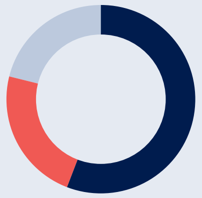
Firstly, we are always striving for excellence, by enhancing and leveraging the foundation we have. This year, we have continued to evolve the technologies in our plants and our portfolio has grown, both organically and through acquisition. We now have over 800 products in our portfolio globally and our capacity to produce these products continues to expand.

Core revenue – 2024



Injectables	42%	($1,324m)
Branded	24%	($769m)
Generics	33%	($1,037m)
Other	1%	($26m)
Total		**$3,156m**

Core operating profit – 2024[1]



Injectables	56%
Branded	23%
Generics	21%

1. Core operating profit is $719 million. Before unallocated corporate costs of $99 million and operating loss from Other business of $9 million, core operating profit contribution from business segments is $827 million

Secondly, we diversify and differentiate. We had 132 launches across the business in 2024, and added to our R&D capabilities through the Xellia acquisition, which brings the new R&D centre in Zagreb with a track record of developing complex products. Across the Group, we are focused on pipeline execution. We have strengthened our teams in all three businesses and have been working on improving R&D efficiency. We have made great progress against this strategic pillar, ensuring we have a healthy pipeline for growth.

Thirdly, we invest in our people and operate sustainably. This year, I have travelled to many of our locations around the world, and spoken with hundreds of our people and I continue to be humbled by their commitment, diligence and experience. We have been working to enhance career development and progression and will launch a new grading structure in 2025 with clearer career levels and detail on the skills needed for advancement. You can read more about how we empower our people in our case study on page 26 of this report.

We also appointed a new VP, Sustainability in 2024, a senior position focused on advancing our sustainability strategy, and we have been spending time this year conducting a double materiality assessment, as we work to understand better our most material sustainability areas.

Well placed for future growth

Hikma is a growth company – we are investing across our markets, building out our infrastructure, launching new products and deploying our healthy balance sheet on value-enhancing acquisitions.

I am excited for 2025 and beyond. With the incredible, diligent team we have in place, I am extremely confident in our ability to grow, and continue to help shape a healthier world.

Find out more about our Strategy on page 8
Find out more about our KPIs on page 18

"We have exciting strategic momentum and are very well positioned for 2025 and beyond."

Our strategy

We aim to deliver consistent and profitable growth by building a leading generics and specialty pharmaceutical company, putting better health within reach, every day.

Find out more about our KPIs on page 18
Find out more about our risks on page 80
Find out more about our strategic progress on page 31

Our purpose-led strategy

Our strategic pillars	Our approach		KPIs
Strive for excellence	Enhance	operational efficiencies and embrace new technologies, maintaining our high quality levels	– Core revenue – Core operating profit – Return on average invested capital
	Leverage	our broad portfolio and strong commercial capabilities	
Diversify and differentiate	Develop	a more differentiated pipeline	– Percentage of revenue from new business over 3 years
	Expand	into adjacent businesses and geographies	
People and responsibility	Empower	our people and cultivate a unified culture	– Employee engagement and enablement – Reduction in Scope 1 and 2 emissions
	Act	responsibly across our local markets and communities	

Shaping a healthier world...

...by developing our pipeline in growing therapeutic areas

We aim to have a portfolio and pipeline that is tailored to the needs of our markets, with an increasing number of complex products with high barriers to entry.

We are increasingly leveraging our active pharmaceutical ingredient (API) manufacturing facility in Jordan to introduce vertically integrated products for all our businesses, particularly for our MENA portfolio.

In MENA we are seeing the impact of a rapidly growing population, increasing prevalence of cancer and chronic diseases, and disparities in healthcare access. As a result, we have enhanced our focus on R&D and are investing in higher-value medicines, focusing on those used to treat chronic illnesses. We are introducing first-to-market and first-generic products and are investing in sales and marketing to support these efforts – 75% of our top 20 pipeline projects over the next five years are planned as first to market or first generic opportunities. We also work with global innovators to bring treatments and wider healthcare solutions, including Guardant Health for cancer diagnostics, Rakuten Medical for cancer treatments and Junshi Biosciences for an anti-PD-1 monoclonal antibody.

The portfolio and pipeline for our Injectables business addresses a wide range of therapeutic areas, and a large portion of our pipeline is focused on drug delivery methods or dosages that will improve processes in hospitals, such as products delivered in ready-to-use formats. This is further strengthened through the Xellia acquisition. Today, around 30% of our Injectables pipeline products are classified as differentiated or complex.

Our Generics pipeline is addressing the market need for more complex generic products. We are a leader in nasal sprays and have strong respiratory capabilities. We will leverage this expertise as we develop the next-generation generics in these and other areas. We continue to enhance our pipeline and building differentiation, including increasing the number of 505(b)(2) and other complex filings.

Our business model

Our diversified business model allows us to respond to the many opportunities and threats we face, while delivering for our stakeholders.

Better health within reach every day

Our business segments

Injectables

Branded

Generics

Our resources

Financial
Investment in R&D, manufacturing facilities, partnerships and M&A collectively enable us to expand our product portfolio, technical capabilities and operations.

People
We have a highly skilled, diverse and effective workforce. Through continuous investment in the development of our people and by hiring new talent, we secure our future.

Values
Our culture of progress and belonging is backed by our values – innovative, collaborative and caring.

Relationships
Strong relationships with regulators, customers and health authorities across all our markets, and successful collaborations with industry partners, enable us to deliver on our purpose.

Capabilities
We have extensive commercial, R&D, manufacturing and distribution capabilities across our markets, focused on quality and efficiency.

What we do

Offer a broad product portfolio
We offer a broad and differentiated portfolio of more than 800 products. It includes high-quality generic and branded generic medicines, and a growing number of in-licensed, specialty and compounded products.

Develop and innovate
We are developing a more differentiated pipeline to meet the evolving needs of patients and healthcare professionals through investments in R&D, partnerships and strategic acquisitions.

Manufacture and maintain quality
Our extensive and high-quality manufacturing capabilities are at the heart of what we do. We have 29 plants across the Group that supply our global markets with a broad range of injectable, oral, respiratory and other generic and specialty products, including 13 US FDA-inspected plants and 12 EMA-inspected plants.

Market across geographies
We distribute our products through experienced sales and marketing teams. In the MENA region, around 2,000 representatives and support staff market our brands to doctors and pharmacists, while our sales teams in North America and Europe sell to wholesalers, pharmacy chains, governments and hospital purchasing organisations.

The value we create

Patient benefits
We provide patients across our markets with high-quality medicines.

800+
Products

Empowering our people
By focusing on the development of our people, we provide long and rewarding careers for our talented and diverse workforce.

73%
Employee engagement score

69%
Employee enablement score

Return on average invested capital
We have a strong track record of generating high returns on our investments.

16.9%
Return on average invested capital in 2024

Sustainable business
We act responsibly, advancing health and wellbeing, empowering our people, protecting the environment and building trust through quality in everything we do.

15%
Reduction in Scope 1 and 2 since base year 2020

Find out more about our KPIs on page 18

Investment case

A strong business model with significant opportunities to further enhance our portfolio, drive growth and deliver value for shareholders.

A solid platform with a unique business model

Our presence and positioning

Leading market positions
- 7th largest in the US[1]
- 2nd largest in MENA[2]

Expanding manufacturing footprint
29 plants across our markets, with additional facilities being established

Global player with **local expertise**

Trust, quality and agility

We are a **trusted partner** known for our commitment to quality and reliability of supply

We work closely with governments and regulators to ensure highest quality **standards**

Agile supply chain, flexible manufacturing and **leading technical capabilities**

Increasingly diverse portfolio and pipeline

Broad portfolio and growing investment in R&D

- **A broad portfolio** that is tailored to local market needs
- **Targeting increase in R&D spend to 6–7% of Group revenue** to ensure the consistent development of new products
- **Growing presence in specialty, complex and higher-value products**, which offer less competition and higher margins
- **Strong momentum in new product launches** across our markets

132
launches in 2024

300+
products in our pipeline

Innovation through partnerships and acquisitions

- Enhancing our pipeline by adding innovative products through **value-creating partnerships**
- Adding to the strength of our base business through **strategic acquisitions**

A clear strategy for growth

Strategic execution driven by our three pillars

Our purpose-led strategy

- Strive for excellence
- Diversify and differentiate
- People and responsibility

Enhance	operational efficiencies and embrace new technologies, maintaining our high quality levels
Leverage	our broad portfolio and strong commercial capabilities
Develop	a more differentiated pipeline
Expand	into adjacent businesses and geographies
Empower	our people and cultivate a unified culture
Act	responsibly across our local markets and communities

See page 8 for more information

Proven track record and strong financial position

Delivering growth and high returns

+7%
5-year revenue CAGR

+7%
5-year core EBIT CAGR

26.1%
Core EBITDA[3] margin

16.9%
Return on average invested capital[4]

Our balance sheet strength

- **Strong cash generation** with $564 million operating cash flow in 2024
- **A strong balance sheet that provides financial flexibility to support future growth.** See page 35 for our most recent acquisition

1.4x
net debt/core EBITDA[3]

1. IQVIA MAT November 2024, includes all generic injectable and generic non-injectable products, by sales
2. Based on internal analysis by using data from the following source: IQVIA MIDAS® Monthly Value Sales data for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia and UAE, for the period: calendar year 2024, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved
3. Core results are presented to show the underlying performance of the Group, excluding the exceptional items and other adjustments set out in Note 6 of the Group consolidated financial statements. Core results are a non-IFRS measure. See page 43 for a reconciliation to reported IFRS results
4. See reconciliation on page 43

Shaping a healthier world...

...by focusing on quality manufacturing

Manufacturing strength is one of our greatest assets and a key differentiator for us. We have 29 plants and continuously invest in expanding and enhancing our capabilities, strengthening our position as a local supplier with global expertise.

This manufacturing strength is complemented by Hikma's centralised engineering team and modular approach to new site construction, both of which play a pivotal role in maintaining operational excellence. The engineering team is responsible for streamlining processes, implementing innovative solutions, and ensuring that all manufacturing operations run smoothly and efficiently.

Their expertise and coordinated efforts enable Hikma to consistently meet market demands and regulatory requirements, reinforcing the Group's reputation for reliability and excellence in the pharmaceutical industry.

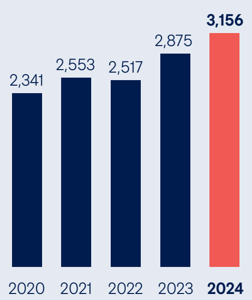
For example our new Injectables sites, which are near completion, in Algeria and Morocco are built to one modular design, based on our site in Portugal, with the projects overseen centrally.

Our progress

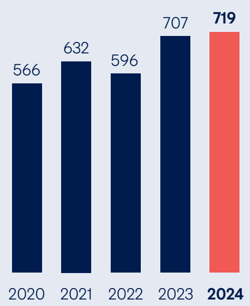
We are delivering on our strategy and measuring our performance with key performance indicators (KPIs).

Strategic priority	Strive for excellence			Diversify and differentiate	People and sustainability	
KPI	**Core[1] revenue** ($m) **$3,156m**	**Core[1] operating profit** ($m) **$719m**	**Return on average invested capital[2]** (%) **16.9%**	**New business** (%) **Percentage of revenue from new business over three year periods**	**Employee engagement** (%) **73%** **(2020: 73%)** **Employee enablement** (%) **69%** **(2020: 64%)**	**Scope 1 and 2 (market-based) emissions reduction** (%) **15%** **Reduction in Scope 1 and 2 since base year 2020**
Description	Total annual core revenue generated across all businesses	Core operating profit	Core operating profit after tax divided by average invested capital (calculated as the average of the opening and closing total equity plus net debt[3])	Percentage of core revenue from new business measured over the period defined in the table above. New business includes products launched, new contracts and new geographies	Global employee engagement and enablement scores	Change in Scope 1 and 2 (market-based) greenhouse gas emissions using a 2020 baseline
Why is it a KPI?	This measures our ability to maximise value from our current product portfolio across our global markets and generate revenue from new launches	This measures our ability to grow revenue and maintain quality while delivering efficiencies and ensuring cost control	This measures our efficiency in allocating capital to businesses and projects	This will measure our ability to extract value from our global product pipeline and new business opportunities	Engagement measures people's pride in working for Hikma, their willingness to recommend Hikma as an employer and their desire to stay long term. Enablement measures whether people find their work fulfilling and rewarding and whether they feel supported to achieve their full potential	We strive to minimise our environmental impacts and are committed to making our operations more energy efficient
2024 performance	Group core revenue grew double-digit, reflecting strong growth across all three businesses, supported by contribution from the Xellia acquisition and recent launches	The increase was driven by strong performance in Injectables and Branded, which offset the expected reduction in Generics relating to higher royalties payable on our authorised generic of sodium oxybate	Continue to generate high levels of return	This metric is measured on a cumulative basis and we will start reporting on this in 2025. We made good progress against these targets in 2024 – launched 132 products, signed new contract manufacturing agreements and continued to make progress in new markets	We completed Hikma's 'People Voice Survey' in January 2024 and initiated an action plan in response to employees' feedback. Refer to 'empowering our people' case study on page 26 for more information on the steps taken	While the Group grows, supported by capacity expansion and higher levels of production, we are maintaining our emissions level through investments in efficiency and renewables
Link to remuneration	R	R		R		

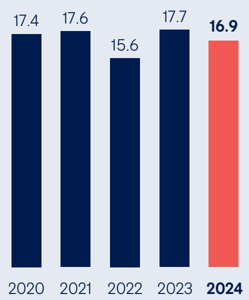
Core[1] revenue ($m)



Core[1] operating profit ($m)



Return on average invested capital[2] (%)



Percentage of revenue from new business over three year periods

Period	Target
1 January 2023 to 31 December 2025	**16%**
1 January 2024 to 31 December 2026	**15%**
1 January 2025 to 31 December 2027	**16%**

Scope 1 and 2 (market-based) emissions reduction

	2020	**2024[4]**
Total emissions (tCO_2e)	144,899	**123,307**
% reduction from 2020	–	**15%**

We have committed to reducing Scope 1 and Scope 2 GHG emissions (market-based) by 25% by 2030, using a 2020 baseline year.

1. Core results are presented to show the underlying performance of the Group, excluding the exceptional items and other adjustments set out in Note 6 in the Notes to the consolidated financial statements
2. 2020 to 2023 ROIC numbers have been restated to reflect new methodology of calculation. See reconciliation on page 43
3. Group net debt is calculated as Group total debt less Group total cash. Group total debt excludes co-development agreements and contingent liabilities
4. For reporting in this Annual Report, we have used data from January to September of 2024 and conducted an uplifting exercise to estimate quantities for October to December 2024. More information on this methodology can be found on our website

Our markets

The global pharmaceutical market is expected to reach $2.3 trillion in 2028, growing at between 5% and 8% per annum.[1] Demographic trends and changing lifestyles are leading to evolving healthcare needs. This, coupled with macroeconomic dynamics, is driving increased demand for more affordable healthcare globally.

Key trends shaping the global pharmaceutical market:

- Scientific advances and improved access to healthcare are contributing to a rise in life expectancy. The world's population is expected to increase by 2 billion people by 2050[2], with the number of people aged 60 or over expected to double to reach 2.1 billion[3]
- An ageing population and changing lifestyles are contributing to an increase in the prevalence of chronic illnesses, such as cardiovascular, cancer, respiratory and diabetes. The incidence of cancer is expected to increase rapidly, particularly in lower-income countries, with an estimated increase of over 12 million new cases annually through 2050[4]
- Rising healthcare costs are increasing demand for more affordable healthcare solutions
- Brand losses of exclusivity are expected to accelerate over the next five years for small molecules and biologics. This will create more opportunities for generics and biosimilars to enter the market than in the past five years, when patent expirations were at historic lows[1]

2 billion

increase in world population by 2050[2]

2x

people aged 60 or above expected to double by 2050[3]

The US generics market remains the largest in the world

The US pharmaceutical market is expected to grow between 2% to 5% annually over the next five years.[1] The US generics market is the largest in the world – around 90% of prescriptions filled are for generics and biosimilars, which account for only 13% of prescription drug spending.[5] Losses of exclusivity are expected to accelerate, paving the way for more generic and biosimilar entrants. More recently, the US market has seen significant growth in therapies based on glucagon-like peptides (ie GLP-1) primarily through wider usage for obesity.[1]

The US generics market remains competitive. There has been a higher number of competitors and an acceleration in the FDA's generic drug approval process over the last decade. In 2024, the FDA approved approximately 808 Abbreviated New Drug Applications (ANDAs), 68 (8%) of which were first-time generic approvals.[6]

61.5%

North America share of Group core 2024 revenue

Strategic response

The US is our largest market, and we are well placed to capture growth opportunities. We are the seventh largest generic company by sales (injectable and non-injectable)[7] and have four US manufacturing plants supporting our broad portfolio of products. We also recently added significant scale to our US operations and enhanced our US injectable manufacturing capabilities and portfolio through the Xellia acquisition, which will add a new manufacturing facility once our upgrade project is complete.

To ensure continued growth, we consistently launch new products and are increasingly focusing our development activities on complex generic products that require advanced manufacturing technologies.

Demand for generics in European markets continues to grow steadily

The European pharmaceutical market continues to grow, driven by increased healthcare demand, an ageing population, and higher generic medicines uptake, particularly as governments look to maintain more sustainable healthcare budgets. 67% of dispensed medicines in Europe are for generics, which account for 29% of pharmaceutical spending.[8]

Market consolidation and pricing dynamics are creating shortages and increasing the risk of reduced access to important medicines in the region. According to Medicines for Europe, more than two-thirds of generic medicines on the market have only one or two suppliers.[9]

7.3%

Europe share of Group 2024 core revenue

Strategic response

Our presence in the region is growing gradually. We have an agile supply chain and strong local footprint, with manufacturing facilities in Portugal, Italy and Germany supplying injectable products to our markets. In addition, we have a broad and growing portfolio of products and we have recently expanded our commercial reach by entering the UK and Spain in 2024, following our 2022 entry into France. We are well placed to supply hospitals and their patients with the medicines they need and thanks to the strength of our operations, we have been able to respond to market shortages.

In addition, we will leverage our new R&D centre in Zagreb, Croatia to develop new products for our European markets.

Attractive healthcare trends in MENA provide potential for growth

The MENA pharmaceutical market is expected to grow around 5% annually over the next four years.[10] This is underpinned by a fast growing and ageing population. This in turn is driving an increase in prevalence of chronic diseases across the region, particularly cardiovascular, diabetes, cancer, and respiratory diseases.[11]

At the same time, many countries are looking to strengthen and develop their local pharmaceutical markets by incentivising local production and applying import restrictions. Some governments are also shifting towards unifying procurement to reduce cost and improve patient access.

31.2%

MENA share of Group 2024 core revenue

Strategic response

We have a unique business in the region, leveraging our global expertise to meet local market needs. We are the second largest pharmaceutical company in the region by sales[12] and have a deep understanding of the regional healthcare landscape, including the ability to navigate the complex regulatory environment, having operated there for more than 45 years. The market offers a lot of potential for growth, and we are well positioned to capture this.

We are investing in enhancing our pipeline and portfolio, focusing on launching more complex and first-to-market products that are tailored to local needs. We are also gaining market share in key therapeutic areas, including in diabetes and multiple sclerosis. In addition, we are investing in enhancing our manufacturing capacity and capabilities, strengthening our position as a local manufacturer and supplier of high-quality medicines with industry-leading global expertise.

1. IQVIA, Global Use of Medicines 2024, Outlook to 2028
2. United Nations available at https://bit.ly/42wOzqk
3. WHO available at https://bit.ly/3EqjFpB
4. IQVIA, Global Oncology Trends 2024, Outlook to 2028
5. AAM, AAM, The U.S. Generic & Biosimilar Medicines Savings Report, September 2024
6. FDA generic drugs program activities report, YTD November 2024 monthly performance, includes approvals and tentative approvals, available at https://bit.ly/4jY70dP and https://bit.ly/4hC8rx6
7. IQVIA MAT November 2024. Includes all generic injectables and generic non-injectable products
8. Medicines for Europe available at https://bit.ly/4gnyvKN
9. Medicines for Europe available at https://bit.ly/40ORJEG
10. Fitch updated data October 2024 (Market size values were extracted from Fitch solutions)
11. Available at https://bit.ly/42txkq9
12. Based on internal analysis by using data from the following source: IQVIA MIDAS® Monthly Value Sales data for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia and UAE, for the period: calendar year 2024, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved

Find out more about our approach to **identify, analyse and evaluate strategic and emerging risks** on page 80

Shaping a healthier world...

...by expanding our patient reach across our markets

As we grow as a business, we are able to enhance the positive impact we have.

While the scope and reach of Hikma's operations have expanded, improving patients' access to health remains our central purpose nearly 50 years later. Today, we are a global company with a local presence across North America, MENA and Europe.

We continue to expand our reach and commercial presence, particularly for our Injectables business in Europe. We have an established presence in Portugal, Italy and Germany, with manufacturing plants in each of these markets. Over the last three years, we entered France, the UK and Spain.

We have an agile supply chain, a growing product portfolio and regional manufacturing capabilities, enabling us to provide patients with more direct and rapid access to important medicines. We are already seeing the benefit this is having on the patients we serve. For example, when we entered into the Spanish market earlier this year, we were able to immediately help hospitals with oncology products that were in shortage.

Stakeholder engagement

Our vision is of a healthier world that enriches all of our communities. For more than 45 years, we have been dedicated to transforming people's lives by providing the medicine and support that they need every day.

Our purpose of putting better health within reach, every day, guides everything we do now and into the future. Our teams work diligently to stay connected to all of our stakeholders, considering their interests and communicating with them on a regular basis. This helps drive the long-term sustainable growth of our business. It also helps us better understand their needs and informs our day-to-day commercial and operational decisions, our long-term investments in our business and our people, as well as our sustainability framework.

Stakeholders and the Board

The Directors consider their duties to stakeholders at each Board meeting, and in their capacity as members of the respective Board committees, and are particularly aware of their duty to promote the success of the Group for the benefit of all its stakeholders. Over the next few pages, we set out how we engage with our key stakeholders and build issues that are important to them into our decision making, in accordance with section 172 of the Companies Act 2006. Through case studies, we have outlined how groups of stakeholders were taken into consideration in Board decisions.

Read more about how we are addressing the needs of our stakeholders by:

Developing our pipeline in growing therapeutic areas page 11

Focusing on quality manufacturing page 17

Expanding our patient reach across our markets page 23

Investing for the future page 35

Leveraging our role as a leading healthcare provider in MENA page 39

Find out more about how the Board engages with stakeholders on page 95

Our stakeholders

Patients and healthcare professionals

Employees

refer to Acting responsibly page 46

Customers

Communities and environment

refer to Acting responsibly page 46

Government and regulators

Suppliers

Investors

refer to Investment case page 14

Healthcare professionals and patients

Our purpose is to put better health within reach, every day for healthcare professionals (HCPs) and their patients. We engage with doctors, clinicians and pharmacists to better understand their needs, helping them treat the patients they serve.

Why is it important to engage with this group and what do they expect from us?

HCPs and patients need us to:

- consistently provide a broad portfolio of products
- improve access to high-quality, affordable medicines

It is essential that we align our commercial activities, operations and R&D efforts to the changing needs of patients and HCPs.

How we engage across the Group

- Our commercial teams meet regularly with healthcare professionals to better understand their needs and keep them informed about our products
- In MENA, we run regular forums bringing together key opinion leaders, HCPs and global research institutes to share knowledge and raise awareness of healthcare trends and disease management
- We meet with patient advocacy groups for diseases such as multiple sclerosis, cardiovascular disease and diabetes, as well as drug overdose and addiction therapies

How we engage at Board level

- The Compliance, Responsibility and Ethics Committee is responsible for direct oversight of the Group's approach to ethical issues associated with HCPs
- Our management teams present to the Board at least once per year, providing updates on how we are addressing the needs of patients and healthcare providers across our markets

Outcomes and actions

- Work with global innovators to bring treatments and wider healthcare solutions to MENA, including Guardant Health for cancer diagnostics, Rakuten Medical for cancer treatments and Junshi Biosciences for an anti-PD-1 monoclonal antibody
- Hosted a Train the Trainer programme in Dubai with over 60 Gastrointestinal (GI) doctors and 12 international GI trainers, with the aim of sharing expertise and updates on advanced procedures
- Through the consumer-focused platform, Hiyat Hilweh, we raise awareness for patients on conditions and diseases most prevalent in MENA, including hypertension and breast cancer
- Launched a generic GLP-1, liraglutide injection, in the US, helping improve patient access to this class of medicines
- Expanded patient reach in Europe through entry into UK and Spain Helped alleviate shortages of oncology products in Spain
- Acquired the rights from Takeda to 17 brands currently licensed to Hikma for MENA. Hikma will continue to commercialise all brands and will, over time, move the manufacture of these products in-house. This will help ensure the continuity of supply of these important medicines, which are widely used by patients across the region

Customers

Our customers are our business partners and we are committed to providing them with a consistent and reliable supply of high-quality medicines. We work closely with Group Purchasing Organisations (GPOs), hospitals, retailers, wholesalers and other customers to build strong relationships and enhance service levels.

Why is it important to engage with this group and what do they expect from us?

Customers need us to:

- offer a broad product portfolio
- have a consistent and reliable supply of medicines
- maintain service levels

Our commercial teams work closely with our different customers to understand their needs, reduce drug shortages and ensure we invest in the products, manufacturing capacity and capabilities needed to meet their requirements.

How we engage across the Group

- We have commercial, sales and marketing teams dedicated to our varied customer groups in North America, MENA, and Europe
- Our customer discussions inform our pipeline decisions, in an effort to bring them the products most in need

How we engage at Board level

- Commercial leads present to the Board at least once a year providing updates on our customer relationships and how we are meeting customer needs
- As part of its strategic review process, the Board reviews information on the generic pharmaceutical customer landscape
- The Board periodically receives industry updates from leading external professional groups

Outcomes and actions

- Continued to build our portfolio to address specific growing healthcare needs and therapeutic areas. In 2024 we had 132 new launches across our markets
- Continued to work closely with our customers to understand their needs and improve service levels. In addition, in line with our customer requirements and the Drug Supply Chain Security Act, our sites are well positioned to ship fully aggregated products
- In response to the need for more high-quality US manufacturing capacity, we signed a significant new long-term contract manufacturing agreement with a global pharmaceutical company, which will leverage our capabilities in our Columbus, Ohio facility. Subject to FDA approvals, expected to start contributing meaningfully in 2027

Stakeholder engagement
continued

Employees

Our employees have always been at the heart of everything we do. As the driving force behind Hikma's growth and success, our people are our most valuable asset.

Why is it important to engage with this group and what do they expect from us?

Our employees need us to:

- support them and provide development and growth opportunities
- protect their health and safety
- foster a diverse and inclusive culture

The passion and commitment of our people to our values is key to delivering our purpose and supports our growth plans. One of our key strategic priorities is to build a culture that inspires and enables our people, one in which they are empowered to drive innovation and are committed to caring for customers, patients and communities around the world.

How we engage across the Group

- We are committed to empowering our people by offering ongoing training and diverse learning experiences that are accessible and engaging. Our goal is to support career growth and lifelong learning for all employees
- Our Group-wide principles for ensuring employee health and safety are outlined in our Group Environmental, Health and Safety Policy Statement, which is available on our website **www.hikma.com**. We also have local policies and procedures in place
- We conduct employee surveys and use this feedback to improve our performance and culture
- We have an active internal communications programme to keep employees engaged and informed on Group strategy, progress, culture, values and sustainability

How we engage at Board level

- Nina Henderson has Board-level responsibility for employee engagement. She undertakes an active programme of engagement each year and reports formally to the Board on her findings
- The Board receives regular reports on communications activities with employees, including employee surveys and events or feedback that are reported by the Chief Executive Officer

Outcomes and actions

- Developed an action plan that addresses employees' concerns and needs following feedback from our 'People Voice Survey'. Refer to 'empowering our people' case study for details
- Ensured a smooth onboarding of our new employees as part of the Xellia acquisition integration. Key members of senior management, Injectables, R&D, investor relations and communications visited the newly acquired Zagreb site and held townhalls to answer any questions
- We introduced a new Group policy that promotes diversity, reflecting our commitment to provide an environment that supports growth, eliminates barriers, and allows all our employees to thrive

Empowering our people

Employee engagement

Having a strong culture that empowers our people is a key pillar in our strategy and essential to achieving long-term success. In January 2024, we completed the 'People Voice Survey', which provided our employees with the platform to anonymously submit their feedback on various topics, including engagement, enablement, employee development and wellbeing. This helps us to understand what we are doing well and where we can improve.

Outcomes and long-term implications

The survey provided great insight. We initiated a Group action plan in response to employees' feedback, which focused on:

- **enhancing career development and progression:** we are introducing a new grading structure, which offers clearer career levels and details on the skills needed for advancement within or across functions. This will be launched in 2025
- **recognising employees and enhancing motivation:** we launched our Employee Recognition Programme, Hikma Honours, which allows our people to recognise each other across locations and departments, in line with our values. It is a non-monetary programme that complements our local reward programmes and helps connect our people across our global footprint, while supporting a positive and inclusive work environment
- **improving wellbeing:** we implemented several local and group initiatives to enhance mental, social, physical, and financial wellbeing. These initiatives include wellness days and wellbeing benefits such as supporting employees who have children with disabilities and improved access to gym facilities

In addition to the Group-wide action plan, each site developed its own plan to address local needs, and managers also developed a plan specific to their team.

The Board received the initial results of the survey in February 2024, and key areas for focus were identified for action. Updates to the Board were scheduled throughout the year to monitor progress and ensure implementation. Employees also received an update during the year on the key actions agreed and what had been implemented as a result.

Communities and environment

Our vision is to create a healthier world that enriches all our communities by developing high-quality medicines and making them accessible to those who need them. We are a responsible and sustainable company and have a duty of care towards our communities and the environment.

Why is it important to engage with this group and what do they expect from us?

Our communities value our efforts to:

- improve healthcare quality and access to medicines
- strengthen educational infrastructures
- support local communities and people in need
- minimise our impact on the environment

Since its inception, Hikma has been dedicated to transforming people's lives by providing the medicines they need and supporting the communities where we live and work. Making positive contributions to the communities where we operate, and providing assistance to those in need, supports long-term, sustainable growth, while positively impacting society.

We also strive to minimise our environmental impacts and are committed to making our operations more energy efficient.

How we engage across the Group

- We have developed collaborative partnerships and programmes to promote positive change and address the needs of our communities. These initiatives include increasing access to medicine, supporting education and assisting refugees and low-income groups
- We work internally to progress our understanding of climate-related risks and opportunities and are working to achieve our greenhouse gas emissions reduction target

How we engage at Board level

- The Board, through the CREC, oversees our sustainability strategy and monitors our progress against our ESG-related targets
- Our Executive Vice Chairman sits on our Access to Medicine Committee, which is co-chaired by our Executive Vice President of Corporate Development and M&A
- Our Executive Vice President of Strategic Planning and Global Affairs, who reports directly into our CEO, oversees our sustainability team, with our newly appointed VP of Sustainability responsible for implementation of the Group sustainability strategy. More information on our sustainability efforts can be found on pages 46 to 77 and on our governance and management of ESG issues on page 48

Outcomes and actions

- Delivered $4.1 million in medicine donations in 2024 (value based on cost of goods)
- Achieved a 15% reduction in Scope 1 and 2 GHG emissions since 2020
- Expanded our tertiary education scholarship programme, in partnership with UNHCR, bringing the total to 80 students across Jordan, Algeria, and Egypt
- Conducted a comprehensive double materiality assessment. Refer to case study on page 27 for more details
- Prioritised water management in water-stressed locations. Refer to page 59 for more information

Double materiality assessment

Objectives

In 2024, we conducted a comprehensive double materiality assessment (DMA). This initiative was aligned with the European Sustainability Reporting Standards (ESRS) requirements, which are part of our Corporate Sustainability Reporting Directive (CSRD) obligations.

Process and stakeholders engaged

To identify the ESG issues most material for Hikma, we engaged a diverse group of internal and external stakeholders. This engagement was conducted through a series of workshops and interviews, either directly or indirectly via proxy.

We directly engaged with key internal stakeholders, including members of the Board and the Executive Committee, and subject matter experts for health and safety, water management, human rights, anti-bribery and corruption, and communications. Additionally, we engaged with external stakeholders such as Civica Rx and the Access to Medicine Foundation. For other critical stakeholders, including our customers, patients, healthcare professionals (HCPs), communities, government and regulatory bodies, suppliers, and investors, their perspectives were gathered through proxy groups. These proxy groups refer to internal teams that work closely with and regularly engage these stakeholders, ensuring their insights and feedback were accurately represented and integrated into our decision-making processes.

After the interviews were finalised, key findings were analysed, and a prioritised list of material topics was established that will be used to update our sustainability framework in 2025.

Stakeholder engagement
continued

Government and regulators

Our industry is highly regulated and we must operate in accordance with a wide range of industry and government policies and regulations, including those of the US Food and Drug Administration (FDA), the European Medicines Agency (EMA), MENA health authorities and other regulatory agencies across our markets.

Why is it important to engage with this group and what do they expect from us?

Our regulators expect us to:

- adhere to regulatory requirements
- maintain high-quality manufacturing facilities
- provide safe and effective medicines

Quality is in everything we do and has been since our inception. We need to ensure that our quality systems operate in full compliance with the requirements of international agencies as well as domestic regulatory bodies.

How we engage across the Group

- We have strong internal pharmacovigilance, regulatory and quality teams who ensure our quality systems operate in full compliance with the regulatory requirements of the FDA, the EMA, MENA health authorities and other regulatory agencies across our markets
- We work closely with local governments and regulatory bodies to ensure current and proposed regulations and policies support patients' needs and our operations

How we engage at Board level

- The Board receives regular reports on relations with regulators, particularly from a manufacturing quality and product approval perspective, and receives an update on legal matters at each meeting
- The Board oversees the Group's risk programme and receives reports on relevant issues, which include specific principal risks covering product quality and safety and legal, regulatory and intellectual property

Outcomes and actions

- Engaged in shaping US generic pharmaceutical policies and legislation as a member of the Association of Accessible Medicines (AAM) trade association
- Regularly engage with US elected officials and policymakers to help educate key members of Congress and their staff about Hikma's position as one of the largest US generic medicine providers, our strong and growing US manufacturing capabilities, our broad portfolio of essential medicines and our ability to help solve domestic drug shortages. Our goal is to develop and maintain supportive relationships with those who are developing and enacting legislation that strengthens the US supply of high-quality generic medicines, including those we produce
- Regularly meet with governing bodies and industry regulators in MENA to understand the unmet healthcare needs in key markets and ensure our product portfolio addresses them
- In 2024 we served as a silver sponsor at the ninth GCC Regulatory Affairs Pharma Summit, held in Dubai. The event gathered key stakeholders from health authorities across the GCC and MENA regions, alongside representatives from both regional and international pharmaceutical sectors, fostering insightful discussions on the evolving regulatory landscape

Suppliers

We have an extensive global network of suppliers who provide us with the goods and services needed for us to deliver our medicines. We actively engage with our suppliers to ensure the social, ethical and environmental standards we require are upheld.

Why is it important to engage with this group and what do we expect from them?

We want our suppliers to:

- uphold high ethical standards
- operate in a responsible and sustainable manner
- work collaboratively to build strong relationships

Our suppliers are critical to our business, and their products and expertise support us in the delivery of high-quality medicines to patients around the world. Working together and building strong relationships not only enables us to deliver on our purpose but it also ensures we have a sustainable and resilient supply chain.

Operating responsibly and ethically is vital to our long-term success, and we work with our suppliers to ensure the social and ethical standards we require are upheld.

How we engage across the Group

- We conduct quality audits, in line with our Group audit policy and regulatory requirements, prior to on-boarding new API suppliers and on a regular basis for our current supplier base
- We reinforce our local sourcing and procurement presence in our key supplier markets to secure preferred access to capacity, innovation and pricing
- We share our Supplier Code of Conduct through our supplier onboarding process, which sets out the standards we expect from all our suppliers, including fundamental principles on human rights, modern slavery and our sustainability expectations
- We conduct initial and ongoing due diligence to assess third-party risks and run sustainability assessments through EcoVadis and our Hikma sustainability questionnaire, and regularly work with our suppliers to improve their sustainability maturity levels
- We engage with our suppliers to understand their commitments and efforts to reduce greenhouse gas (GHG) emissions as well as the future impact on our emissions

How we engage at Board level

- The Board receives updates on supplier issues as part of its review of operational matters
- The Board oversees the Group's risk programme and receives reports on relevant issues, which include specific principal risks covering API and third-party risk management, and ethics and compliance
- The Compliance, Responsibility and Ethics Committee is responsible for direct oversight of the Group's approach to ethical issues associated with suppliers

Outcomes and actions

- Through our partnership with EcoVadis and our sustainability questionnaire, we have assessed suppliers who cover over 60% of our annual procurement spend
- Actively engaged with key suppliers who generate (from the purchased goods and services) just over 55% of our Scope 3 footprint
- Established a dedicated process to identify suppliers at risk of modern slavery, following the creation of a specialised task force
- Enhanced the use of automation in the Supplier Code of Conduct acknowledgment process, ensuring that our expectations are clearly communicated and understood before commencing collaboration

Investors

We maintain regular contact with investors to ensure they have a thorough understanding of our business. Our investors are largely global institutions and include both equity and debt holders.

Why is it important to engage with this group and what do they expect from us?

Our investors want us to:

- deliver sustainable long-term value
- effectively communicate our long-term strategy, financial and operational performance and growth drivers
- meet industry and global standards for good Environmental, Social and Governance (ESG) practices

We ensure our investors have an in-depth understanding of our operations, financial performance, growth drivers and ESG efforts. The Board receives regular updates and feedback on these activities. This helps ensure that the views of our investors are considered in the Board's decision-making.

How we engage across the Group

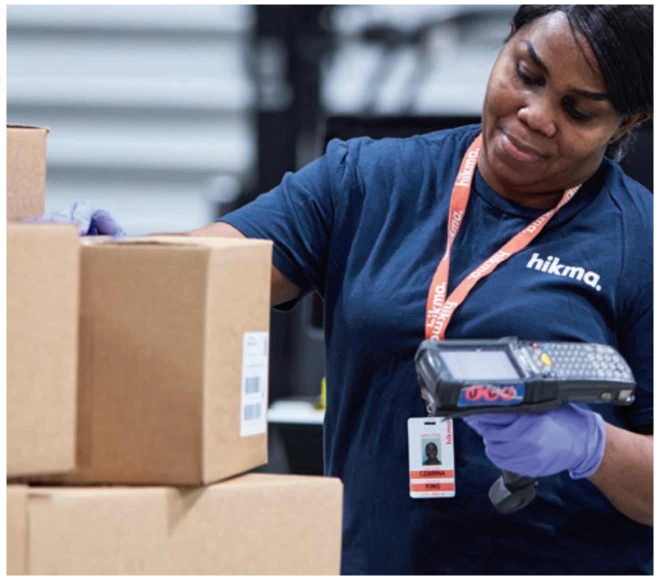
- We maintain regular contact with our shareholders through a comprehensive investor relations (IR) programme of conferences, roadshows, meetings and site visits
- We maintain regular dialogue with our debt holders and rating agencies
- We communicate our strategy and financial performance through regular financial reporting and investor events, such as the Annual General Meeting (AGM)
- A targeted external communications programme ensures we are informing key audiences on our strategic progress and impact on our communities

How we engage at Board level

- The Board receives regular updates on the IR programme, including investor feedback from the AGM, IR meetings and investor perception studies
- The Executive Directors are informed of investor engagement activities on a regular basis
- The Non-Executive Directors make themselves available to meet with investors as required in the conduct of their responsibilities (eg as Chair of a committee) and are available to shareholders at the AGM to answer related questions

Outcomes and actions

- Maintained regular contact with our analysts and investors to give business updates. We met with 167 investors in 2024
- Hosted a site visit for sell-side analysts and investors at our manufacturing facility in Casablanca, Morocco, which provided a deep dive into our MENA business and the opportunity to meet with the MENA leadership team
- Provided EC and Board members with third-party perception studies to guage investor sentiment
- Engaged in a constructive dialogue with shareholders and proxy advisers prior and following the AGM to explain the rationale behind the Rule 9 Waiver (Buyback Waiver) and address any concerns they may have



"At Hikma, we are committed to acting in the best interest of all our stakeholders."

Business and financial review

A strong 2024 performance, with growth in all three businesses, and a positive 2025 outlook.

Khalid Nabilsi
Chief Financial Officer

"Thanks to our dedicated teams, we were able to deliver another year of growth. We continue to make excellent strategic progress and are in a good position for the future."

Reported results (statutory)

	2024 $ million	2023 $ million	Change	Constant currency[1] change
Revenue	**3,127**	2,875	9%	9%
Operating profit	**612**	367	67%	71%
Profit attributable to shareholders	**359**	190	89%	98%
Cashflow from operating activities	**564**	608	(7)%	–
Basic earnings per share (cents)	**162**	86	88%	98%
Total dividend per share (cents)	**80**	72	11%	–

Core results[2] (underlying)

	2024 $ million	2023 $ million	Change	Constant currency[1] change
Core revenue	**3,156**	2,875	10%	10%
Core operating profit	**719**	707	2%	4%
Core EBITDA[2]	**824**	810	2%	4%
Core profit attributable to shareholders	**495**	492	1%	5%
Core basic earnings per share (cents)	**224**	223	0%	4%

Strong financial performance

Double-digit Group core revenue growth, ahead of expectations

- Group core revenue up 10%, including contribution from Xellia acquisition (9% organic). Reported Group revenue up 9%
- Core revenue up in all three business segments – Injectables up 10%, Branded up 8% and Generics up 11%, supported by breadth of portfolio and recent launches
- Growth in all regions, led by North America

Core Group operating profit up 2% to $719 million at a margin of 22.8% (2023: 24.6%)

- Injectables core operating profit up 5% with margin of 35.3% (2023: 36.9%). Excluding Xellia, Injectables core operating margin was 35.7%. Branded core operating profit up 11% with margin of 24.6% (2023: 23.8%)
- Generics core operating profit down 11% with margin of 16.4% (2023: 20.5%), reflecting the expected higher royalties for our authorised generic of sodium oxybate
- Group reported operating profit up 67%, reflecting an impairment reversal in our Generics business and lower operating profit in the previous year resulting from the impairment of our Sudan business and a legal settlement provision

Strong cashflow from operating activities of $564 million (2023: $608 million)

- Good operating performance slightly offset by increased trade receivables reflecting strong sales towards the end of the year

Robust balance sheet and high returns

- Leverage at 1.4x net debt[3] to core EBITDA (31 December 2023: 1.2x)
- Return on average invested capital of 16.9%[4]
- Full-year dividend of 80 cents per share, up 11%, reflecting confidence in our future prospects

Continued strategic progress to drive future growth

Invested to further expand and diversify portfolio

- Acquired Xellia Pharmaceuticals' US finished dosage form business, further strengthening the Injectables business
- Agreed to acquire 17 Takeda brands licensed to Hikma, enhancing future Branded profitability
- Strengthened R&D, manufacturing and commercial capabilities

Signed new agreements and partnerships

- Expanded our Generics contract manufacturing (CMO) business with a significant agreement with a global pharmaceutical company. Expected to start contributing meaningfully in 2027
- Entered into exclusive commercial partnership with Emergent BioSolutions in January 2025 for Kloxxado® (naloxone HCl 8mg) in the US to increase patient access to this lifesaving medicine

Strong pipeline supporting consistency of new launches

- 132 new product launches across the business
- Launched liraglutide injection in the US, the first approved ANDA for a generic GLP-1 referencing Victoza®, helping improve patient access to this class of medications

Strong 2025 Group outlook

- Group revenue growth of 4% to 6%
- Group core operating profit in the range of $730 million to $770 million, after an increase in investment in R&D of around 20% in 2025

Group

Group core revenue was up 10% reflecting strong growth across all three businesses. Excluding the Xellia acquisition, Group core revenue grew 9%, ahead of our guidance range of 6% to 8%. Group reported revenue, which is stated after a $29 million provision relating to rebate adjustments following a change in prior years estimates in the US, was up 9%.

Group core gross profit grew 3% and core gross margin was 45.9%. The expected reduction in Generics profitability relating to higher royalties on our authorised generic of sodium oxybate was more than offset by a strong performance across the broader Generics portfolio as well as Injectables and Branded.

Group reported operating expenses were $803 million (2023: $1,023 million). Group core operating expenses were $729 million (2023: $700 million).

Reported selling, general and administrative (SG&A) expenses were $671 million (2023: $767 million). This change reflects the provision taken in 2023 related to a legal settlement. Core SG&A expenses were $568 million (2023: $544 million), up 4%, reflecting higher employee benefits, legal expenses and continued investment in sales and marketing in the US.

Reported and core research and development (R&D) expenses were $141 million (2023: $149 million), representing 4.5% of Group core revenue (2023: 5.2%).

Reported other net operating income was $11 million (2023: $75 million expense). This change primarily reflects the impairment reversal related to our complex respiratory portfolio in 2024, as well as the impact in 2023 relating to the impairment charge taken on our Sudanese business. Core other net operating expenses were $18 million (2023: $4 million), primarily comprising foreign exchange-related costs in Egypt.

Group reported operating profit grew 67% and Group core operating profit increased by 2%, with a core operating margin of 22.8%.

1. Constant currency numbers in 2024 represent reported 2024 numbers translated using 2023 exchange rates, excluding price increases in the business resulting from the devaluation of currencies
2. Core results throughout the document are presented to show the underlying performance of the Group, excluding exceptional items and other adjustments set out in Note 6 of this report. Core results are a non-IFRS measure. see page 43 for a reconciliation to reported IFRS results
3. Group net debt is calculated as Group total debt less Group total cash. Group net debt is a non-IFRS measure that includes short and long-term financial debts (Notes 24 and 28), lease liabilities (Note 17), net of cash and cash equivalents (Note 22) and restricted cash (Note 19), if any. See page 43 for a reconciliation of Group net debt
4. Refer to page 43 for reconciliation

We supply hospitals across our markets with generic and specialty injectable products, supported by our manufacturing facilities in the US, Europe and MENA.

Injectables

> **Double-digit core revenue growth supported by a global growing portfolio."**

Injectables	**2024 $ million**	2023 $ million	Change	Constant currency change
Revenue	**1,306**	1,203	9%	9%
Core revenue	**1,324**	1,203	10%	10%
Gross profit	**668**	655	2%	2%
Gross margin	***51.1%***	*54.4%*	*(3.3)pp*	*(3.3)pp*
Core gross profit	**690**	657	5%	5%
Core gross margin	***52.1%***	*54.6%*	*(2.5)pp*	*(2.6)pp*
Operating profit	**371**	358	4%	4%
Operating margin	***28.4%***	*29.8%*	*(1.4)pp*	*(1.3)pp*
Core operating profit	**468**	444	5%	6%
Core operating margin	***35.3%***	*36.9%*	*(1.6)pp*	*(1.4)pp*

Injectables core revenue grew 10% in 2024, benefiting from our broad portfolio across the three geographies, contribution from the Xellia acquisition and recent launches, including liraglutide injection, our generic GLP-1 product in the US. Excluding the Xellia impact, organic core revenue growth was 8%, at the top end of our guidance range. Injectables reported revenue grew 9%, which is stated after an $18 million provision relating to rebate adjustments following a change in prior years estimates in the US.

In North America we benefited from good demand for our broad portfolio, recent launches and growth in Canada, supported by $24 million sales contribution from the Xellia acquisition, which closed in September.

In Europe and rest of the world (ROW) we delivered good growth across all our established and recently entered markets. Our own products grew 20%, driven by our expanding portfolio and ability to address market shortages. Our CMO business performed in line with expectations, accelerating in the second half.

In MENA we saw strong growth across most of our markets, supported by new launches and good demand across our broad portfolio.

Injectables core gross profit grew 5% and core gross margin contracted due to product mix, which includes the slightly dilutive impact of the Xellia acquisition and an increased contribution from partnered products.

Injectables reported operating profit grew 4%. Injectables core operating profit grew 5% and core operating margin was 35.3%. This reflects the change in gross profit. Excluding Xellia, Injectables core operating margin was 35.7%.

During the year, the Injectables business had 20 launches in North America, 16 in MENA and 53 in Europe and ROW. We submitted 137 filings to regulatory authorities across all markets.

Outlook for 2025

In 2025, we expect Injectables revenue to grow in the range of 7% to 9%. We expect core operating margin to be in the mid-30s.

Core revenue

2024	**$1,324m**
2023	$1,203m

Core operating margin

2024	**35.3%**
2023	36.9%

Shaping a healthier world…

…by investing for the future

We have been steadily growing our global Injectables business through a combination of strategic acquisitions, expansion of manufacturing capabilities and investment in R&D.

Hikma has grown to become a top three US supplier of generic injectable medicines.[1]

In June 2024, following discussions with management, the Board approved the acquisition of Xellia Pharmaceuticals' US finished dosage form business. This included a commercial portfolio and pipeline of differentiated products, a manufacturing facility in Bedford, Ohio, sales and marketing capabilities, and an R&D centre in Zagreb, Croatia.

Once the Bedford facility is fully operational after refurbishment, this acquisition will significantly expand our US Injectables manufacturing capacity and will add complex manufacturing technologies. In addition, it helps enrich our portfolio and pipeline as well as improves our ability to serve the growing needs of hospitals, healthcare professionals, and patients.

1 IQVIA MAT November 2024, generic injectables volume by eaches, excluding branded generics and Becton Dickinson

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

Branded

> **Strengthened product mix is driving increasingly profitable growth."**

Branded	**2024 $ million**	2023 $ million	Change	Constant currency change
Revenue	**769**	714	8%	9%
Core revenue	**769**	714	8%	9%
Gross profit	**402**	351	15%	15%
Gross margin	***52.3%***	*49.2%*	*3.1pp*	*2.6pp*
Core gross profit	**402**	366	10%	10%
Core gross margin	***52.3%***	*51.3%*	*1.0pp*	*0.5pp*
Operating profit	**182**	95	92%	108%
Operating margin	***23.7%***	*13.3%*	*10.4pp*	*12.1pp*
Core operating profit	**189**	170	11%	20%
Core operating margin	***24.6%***	*23.8%*	*0.8pp*	*2.4pp*

Our Branded business performed very well in 2024, with good growth across most of our markets. Revenue was up 8%, at the top of our guidance range, as we benefited from a growing and diversified portfolio of oncology products and medicines used to treat chronic illnesses.

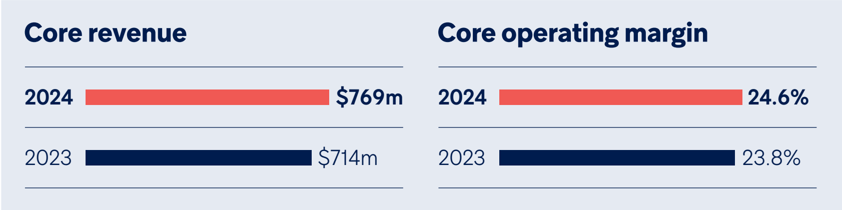
Branded reported gross profit grew 15% and core gross profit grew 10%, with core gross margin improving by a percentage point. This reflects an improving product mix driven by our shift towards higher value medicines.

Branded reported operating profit increased significantly, reflecting the impact of the $69 million impairment charge and cost in relation to halting our operations in Sudan in 2023. Core operating profit grew 11% and core operating margin expanded to 24.6%. This reflects the improvement in core gross profit, which more than offset the negative foreign exchange impact related to the currency devaluation in Egypt.

During the year, the Branded business had 36 launches and submitted 59 filings to regulatory authorities. Revenue from in-licensed products represented 27% of Branded revenue (2023: 29%).

Outlook for 2025

In 2025, we expect Branded revenue to grow in the range of 6% to 7% in constant currency. We expect core operating margin to be close to 25%.



Shaping a healthier world…

…by leveraging our role as a leading healthcare provider in MENA

When Hikma was founded in 1978, its central purpose was to fill a profound gap in access to high-quality affordable medicines across the Middle East and North Africa region. Over the years, our journey has evolved into a story of expansive growth, all aimed at improving patient access.

Today, Hikma is the second-largest pharmaceutical company in MENA by sales.[1] Our unique position in the region stems from our deep understanding of local healthcare landscapes, including the complex regulatory environment, combined with our global expertise. We have a commercial presence across 17 markets and 20 manufacturing plants, enabling us to meet the region's healthcare needs.

We have a long-term view to operating across our markets in MENA. This year, we celebrated our 30th anniversary of operating in the Algerian market.

We entered in 1994 and have since built strong relations with the local healthcare community and have significant investments in building new manufacturing capabilities. In 2006, we opened our first manufacturing plant in the market, followed by three others, including the first local oral oncology manufacturing plant.

As we continue to enhance our leading position in MENA, we remain focused on our duty and responsibility to bring new treatments, access, and innovative solutions into the region.

1 Based on internal analysis by using data from the following source: IQVIA MIDAS® Monthly Value Sales data for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia and UAE, for the period: calendar year 2024, reflecting estimates of real-world activity. Copyright IQVIA.

We supply oral, respiratory and other generic and specialty products to the North American retail market, leveraging our state-of-the-art manufacturing facility in Columbus, Ohio.

Generics

> **Differentiated portfolio and strong operations are driving double-digit core revenue growth."**

Generics	2024 $ million	2023 $ million	Change
Revenue	**1,026**	937	9%
Core revenue	**1,037**	937	11%
Gross profit	**346**	387	(11)%
Gross margin	***33.7%***	*41.3%*	*(7.6)pp*
Core gross profit	**357**	387	(8)%
Core gross margin	***34.4%***	*41.3%*	*(6.9)pp*
Operating profit	**167**	147	14%
Operating margin	***16.3%***	*15.7%*	*0.6pp*
Core operating profit	**170**	192	(11)%
Core operating margin	***16.4%***	*20.5%*	*(4.1)pp*

Generics core revenue grew 11% in 2024, ahead of our guidance, driven by good demand across our differentiated portfolio, particularly for our respiratory products. Generics reported revenue grew 9%, which is stated after an $11 million provision relating to rebate adjustments following a change in prior years estimates.

The decrease in Generics reported and core gross profit and the lower core gross margin of 34.4% was primarily due to the higher royalties on our authorised generic of sodium oxybate, when compared to last year. This was partially offset by an improvement in product mix across the base business.

Generics core operating profit decreased, reflecting the reduction in gross profit, which was partially offset by lower sales and marketing costs. Reported operating profit includes the impairment reversal related to our complex respiratory portfolio.

In 2024, the Generics business launched seven products and had a record number of product submissions, with ten filings submitted to regulatory authorities, as we continue to work on further enhancing our pipeline and building differentiation in our product portfolio.

Outlook for 2025

In 2025, we expect Generics revenue to be broadly flat. We expect core operating margin to be around 16%.

Core revenue

2024	**$1,037m**
2023	$937m

Core operating margin

2024	**16.4%**
2023	20.5%

Business and financial review
continued

Other businesses

Other businesses, which includes our 503B compounding business, as well as Arab Medical Containers (AMC), a manufacturer of plastic specialised medicinal sterile containers, and International Pharmaceuticals Research Centre (IPRC), which conducts bio-equivalency studies, contributed revenue of $26 million in 2024 (2023: $21 million) with an operating loss of $9 million (2023: $9 million loss). We are making good progress in growing our compounding business and continue to invest in building our manufacturing and commercial compounding capabilities.

Research and development

Our investment in R&D of $141 million and our business development activities enable us to continue expanding the Group's product portfolio. During 2024, we had 132 new launches and received 136 approvals. To ensure the continuous development of our product pipeline, we submitted 206 regulatory filings.

	2024 submissions[1]	2024 approvals[1]	2024 launches[1]
Injectables	137	86	89
North America	18	18	20
MENA	25	16	16
Europe & ROW	94	52	53
Branded	59	43	36
Generics	10	7	7
Total	**206**	**136**	**132**

Net finance expense

	2024 $ million	2023 $ million	Change	Constant currency change
Finance income	8	7	14%	14%
Finance expense	167	95	76%	73%
Net finance expense	**159**	**88**	81%	77%
Core finance income	8	7	14%	14%
Core finance expense	93	90	3%	0%
Core net finance expense	**85**	**83**	2%	(1)%

Reported net finance expense increased to $159 million primarily due to the remeasurement of contingent consideration related to business combinations. Core net finance expense increased to $85 million (2023: $83 million), reflecting borrowing to finance the Xellia acquisition.

We expect core net finance expense to be between $90 million to $95 million in 2025.[2]

Tax

The Group incurred a reported tax expense of $93 million (2023: $89 million) and a reported effective tax rate of 20.4% (2023: 31.7%). Excluding the tax impact of exceptional items and other adjustments, Group core tax expense was $138 million (2023: $131 million). The core effective tax rate was 21.7% (2023: 20.9%).

We expect the Group core effective tax rate to be around 22% in 2025.

1. Pipeline projects submitted, approved and launched by country in 2024. MENA numbers include only the five major markets (Algeria, KSA, Egypt, Morocco and Jordan)
2. Based on the composition of the Group's net debt portfolio as at 31 December 2024, a one percentage point increase/decrease in interest rates would result in a $6 million increase/decrease in net finance cost per year (2023: $3 million increase/decrease)

Profit attributable to shareholders and earnings per share

Reported profit attributable to shareholders was $359 million (2023: $190 million). Core profit attributable to shareholders was $495 million (2023: $492 million). Reported basic earnings per share was 162 cents (2023: 86 cents). Core basic earnings per share was 224 cents (2023: 223 cents).

Dividend

The Board is recommending a final dividend of 48 cents per share (2023: 47 cents per share) bringing the total dividend for the full year to 80 cents per share (2023: 72 cents per share). The proposed dividend will be paid on 1 May 2025 to eligible shareholders on the register at the close of business on 21 March 2025, subject to approval at the Annual General Meeting on 24 April 2025.

Net cash flow, working capital and net debt

The Group generated operating cash flow of $564 million (2023: $608 million). This change primarily reflects increased trade receivables reflecting strong sales towards the end of the year.

Group working capital days were 240 at 31 December 2024. Compared to the position on 31 December 2023, Group working capital days decreased by three days from 243 days.

Capital expenditure was $165 million (2023: $169 million). In the US, $49 million was spent on upgrades, new technologies and capacity expansion across our Cherry Hill and Columbus sites. In MENA, $80 million was spent strengthening and expanding our local manufacturing capabilities, including for general formulations in Tunisia and Algeria, as well as strengthening our oral oncology capabilities in Algeria. In Europe, we spent $36 million enhancing our manufacturing capabilities, including adding lyophilisation capacity in Portugal.

We expect Group capital expenditure to be in the range of $170 million to $190 million in 2025.

The Group's total debt was $1,306 million at 31 December 2024 (31 December 2023: $1,191 million).

The Group's cash balance at 31 December 2024 was $188 million (31 December 2023: $215 million).

The Group's net debt was $1,118 million at 31 December 2024 (31 December 2023: $976 million). We continue to have a healthy balance sheet, with a net debt to core EBITDA ratio of 1.4x (31 December 2023: 1.2x).

Net assets

Net assets at 31 December 2024 were $2,321 million (31 December 2023: $2,209 million). Net current assets were $285 million (31 December 2023: $761 million). This primarily reflects the reclassification of the five-year Eurobond, which matures on 9 July 2025, as short-term financial debt.

Definitions

We use a number of non-IFRS measures to report and monitor the performance of our business. Management uses these adjusted numbers internally to measure our progress and for setting performance targets. We also present these numbers, alongside our reported results, to external audiences to help them understand the underlying performance of our business. Our core numbers may be calculated differently to other companies.

Adjusted measures are not substitutable for IFRS results and should not be considered superior to results presented in accordance with IFRS.

Core results

Reported results represent the Group's overall performance. However, these results can include one-off or non-cash items which are excluded when assessing the underlying performance of the Group. To provide a more complete picture of the Group's performance to external audiences, we provide, alongside our reported results, core results, which are a non-IFRS measure. Our core results exclude the exceptional items and other adjustments set out in Note 6.

Constant currency

As the majority of our business is conducted in the US, we present our results in US dollars. For both our Branded and Injectables businesses, a proportion of their sales are denominated in a currency other than the US dollar. In order to illustrate the underlying performance of these businesses, we include information on our results in constant currency.

Constant currency numbers in 2024 represent reported 2024 numbers translated using 2023 exchange rates, excluding price increases in the business resulting from the devaluation of currencies.

Core EBITDA

Core EBITDA is earnings before interest, tax, depreciation, amortisation, adjusted for exceptional items and other adjustments (Note 6).

	2024 $ million	2023 $ million
Reported operating profit	**612**	**367**
Depreciation and impairment charges/ reversals in relation to property, plant and equipment	96	110
Impairment reversals on property, plant and equipment	(16)	–
Amortisation and impairment charges in relation to intangible assets	122	131
Impairment reversal on intangible assets	(44)	–
Depreciation and impairment charges in relation to right-of-use assets	10	18
Reorganisation costs	11	–
Pre-production set-up costs	4	–
Provision for rebates adjustment	29	–
Provision related to expected North America opioid legal settlement	–	129
Provision against inventory related to halted operations in Sudan	–	17
Impairment charge on financial assets	–	29
Impairment charge on other current assets	–	2
Cost from halted operations in Sudan	–	7
Core EBITDA	**824**	**810**

Working capital days

We believe Group working capital days provides a useful measure of the Group's working capital management and liquidity. Group working capital days are calculated as Group receivable days plus Group inventory days, less Group payable days. Group receivable days are calculated as Group trade receivables x 365, divided by 12 months Group revenue. Group inventory days are calculated as Group inventory x 365, divided by 12 months Group cost of sales. Group payable days are calculated as Group trade payables x 365, divided by 12 months Group cost of sales.

Group net debt

We believe Group net debt is a useful measure of the strength of the Group financial position. Group net debt includes short and long-term financial debts (Notes 24 and 28), lease liabilities (Note 17), net of cash and cash equivalents (Note 22) and restricted cash (Note 19), if any.

Group net debt	31 Dec 2024 $ million	31 Dec 2023 $ million
Short-term financial debts	(642)	(150)
Short-term leases liabilities	(11)	(11)
Long-term financial debts	(607)	(975)
Long-term leases liabilities	(46)	(55)
Total debt	**(1,306)**	**(1,191)**
Cash and cash equivalents	188	205
Restricted cash	–	10
Net debt	**(1,118)**	**(976)**

ROIC

ROIC is calculated as core operating profit after tax divided by the average invested capital (calculated as the average of the opening and closing total equity plus net debt). This measures our efficiency in allocating capital to profitable investments.

ROIC $ million	2024	2023
Core operating profit	719	707
Total tax	(158)	(144)
Core operating profit after tax	**561**	**563**
Net debt	1,118	976
Equity	2,321	2,209
Invested capital (at 31 December)	**3,439**	**3,185**
Invested capital (at 1 January)	3,185	3,161
Average invested capital	**3,312**	**3,173**
ROIC	**16.9%**	**17.7%**

Sustainability

Acting responsibly at Hikma

Being a responsible organisation and advancing our sustainability agenda is integral to how we do business.

Pursuing a strong sustainability strategy helps to create long-term value for both Hikma and our stakeholders and supports our purpose of putting better health within reach, every day

We remain focused on the sustainability topics that are most material to our business success, as well as those that are most relevant to our key stakeholders. These material issues form the basis of our sustainability framework and strategy, and we align our business with these priorities. In 2024, we conducted a double materiality assessment (DMA) and will update our framework and strategy according to the DMA findings in 2025. More information on the DMA is available on page 48.

Our Acting Responsibly framework consists of four pillars:

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

This section outlines how we address our most material sustainability issues and highlights some of the major activities, milestones, and achievements we have made throughout the year. More information on sustainability will be provided in our upcoming Sustainability Report 2024.

For more information visit **www.hikma.com/sustainability**

Adapting to evolving patient needs

As a manufacturer of generic medicines, we recognise our role in responding to evolving patient needs that are driven by factors such as climate change, changing demographics and socio-economic development.

Climate change is among the most significant health threats globally. It is expected to create both direct health impacts through heat waves, droughts, and other extreme weather events, as well as indirect health impacts such as increased prevalence of vector-borne and respiratory diseases, food and water insecurity, undernutrition, and forced displacements.

Additionally, population demographics are influencing disease prevalence, with ageing populations and urbanisation contributing to shifts in health needs and challenges. In addition, economic and inflationary challenges are making healthcare less accessible to patients.

We recognise our role in mitigating the health-related impacts of these challenges. We do so by prioritising the availability and access of medicines, addressing and anticipating national health priorities and evolving patient needs, and working within our markets to launch more products and strengthen the resilience of healthcare systems.

Advancing health and wellbeing

Providing better healthcare and supporting our communities

- Access to medicines
- Corporate social responsibility
  - Providing better health
  - Supporting education
  - Helping people in need

$4.1m

cost of our donated medicines

Read more on page 50

Empowering our people

Shaping an inclusive culture where everyone can thrive

- Recruitment, retention and promotion
- Progress and belonging
- Ensuring health and safety

245+

Employees trained through Multipliers and Blanchard leadership programmes

Read more on page 54

Protecting the environment

Minimising our impact on the planet

- Reduction of greenhouse gas emissions (GHG)
- Sustainable supply chain
- Water management
- Waste management

15%

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

Read more on page 56

Building trust through quality in everything we do

Upholding ethical standards and acting with integrity

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

10

Maintaining membership in the FTSE4Good for ten consecutive years

Read more on page 60

Acting responsibly at Hikma
continued

Prioritising the right issues

We prioritise sustainability issues that are most impactful, create shared value for our business and stakeholders, mitigate business risks, and ensure we continue to operate responsibly and ethically. Our sustainability framework was developed through an internal materiality assessment that integrated both current and anticipated legislative requirements and best practices. Global sustainability standards such as GRI, sector-specific standards as outlined by SASB, and ratings frameworks including MSCI, Sustainalytics, and FTSE4Good are all considered to help us fully understand material issues from an external perspective.

We take into account the perspectives of all our key stakeholders on ESG matters, including investors, patients and healthcare professionals, employees, customers, communities, governments, regulators, and suppliers.

In 2024, we conducted a double materiality assessment (DMA) as part of our broader sustainability strategy and with the purpose of refreshing our material ESG issues, updating our sustainability framework, and preparing for compliance with European Sustainability Reporting Standards (ESRS) materiality requirements that are part of our Corporate Sustainability Reporting Directive (CSRD) obligations. The DMA results emphasised our material ESG issues, the most significant of which are Product Quality and Patient Safety and Access to Medicines. As part of our continued focus on sustainability, we will integrate the DMA results into our sustainability framework.

We also put new targets in place to drive emissions reduction and water-use efficiency which are tied to Executive Remuneration. See page 56 for more details.

Governance of sustainability

Board of Directors
Overarching oversight of sustainability

Executive Committee
Leadership and alignment of sustainability with corporate strategy

Sustainability team

Global functions and site management teams

Employee networks

Executive Sponsor-led:
Steer and coordination

ESG Committee: Access to Medicine

ESG Committee: Environmental Sustainability

Our sustainability performance and commitments

MSCI ESG Ratings	Sustainalytics	FTSE4Good	CDP
Achieved an ESG rating score of BBB	Ranked in the 11th percentile of the Pharmaceuticals sub-industry (where first is lowest risk)	Constituents since 2014	Achieved a score of B for CDP Water 2024

UN Global Compact	Sustainable Development Goals	Women's Empowerment Principles	Modern Slavery Act 2015
Signatory to the United Nations Global Compact	Supporters of the UN Sustainable Development Goals	Signatory to the United Nations Women's Empowerment Principles	Signatory to the Modern Slavery Act

Sustainability reporting readiness

We are proactive in assessing and ensuring our preparedness with evolving regulations, obligations and best practices around the management and reporting of ESG issues. There are several regulatory developments that we have identified that will impact our reporting in future years.

Corporate Sustainability Reporting Directive (CSRD)
In 2023, the CSRD entered into force and established a harmonised sustainability reporting regime for companies operating in the European Union. Companies that are within the scope of CSRD have to report on relevant disclosure requirements from the 12 European Sustainability Reporting Standards (ESRS) for material sustainability matters and comply with the EU Taxonomy Directive.

We are preparing to report in alignment with CSRD at the Group level. To align with CSRD requirements, in 2024 we have focused on conducting a double materiality assessment and increasing our overall preparedness. We will continue preparing for compliance with CSRD reporting timelines, with the first financial year requiring reporting (for certain Hikma EU entities) being 2025. We are monitoring the EU Omnibus Initiative and the potential impacts it will have on CSRD reporting requirements and timelines and will amend our approach accordingly.

UK Sustainability Reporting Standards (SRS) and IFRS Sustainability Disclosure Standards
The UK SRS will set out corporate disclosures for UK-based companies and is expected to be published in 2025, subject to the outcome of a public consultation. SRS disclosures will form the basis for UK companies to report on sustainability-related risks and opportunities. SRS is using the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards as a baseline to develop their reporting framework, which our teams consider when developing our ESG reporting. The IFRS includes both the International Sustainability Standards Board (ISSB) and Task Force on Climate-Related Financial Disclosures (TCFD) reporting standards.

CDP Climate Change and Water
We have been reporting in alignment with CDP Climate Change since 2010 and introduced CDP Water Security reporting in 2024. We will disclose more details about our CDP scores in our 2024 Sustainability Report (published in Q2 2025) and will continue to enhance our reporting and governance of climate change and water security issues.

Our alignment with evolving stakeholder expectations
Expectations around sustainability reporting among stakeholders such as regulators, investors, customers and others continue to evolve. We align our reporting and disclosures with these frameworks where the information is most relevant for our internal and external stakeholders.

We also use standards such as GRI and SASB to facilitate the comparability of our ESG performance with those of our industry peers. Our climate-related disclosures are disclosed in alignment with the Greenhouse Gas (GHG) Protocol and will ensure that our GHG accounting maintains alignment following its expected 2025 Corporate Standard update.

We have prioritised a set of metrics to monitor internally including those related to employee health and safety (such as Lost time incidents and Lost time incident rate), emissions, water and waste management. We are refining data integrity and quality to ensure key metrics are measured and disclosed with a robust level of assurance.

We have completed our DMA and will be using the results to update our 'Acting Responsibly' framework in 2025.

Acting responsibly at Hikma
continued

Advancing health and wellbeing

Providing better healthcare and supporting our communities

> "We work to enhance lives by ensuring access to affordable, high-quality medicines."

Access to medicines

At Hikma, we work to enhance lives by ensuring access to affordable, high-quality medicines. This is at the heart of our corporate purpose: putting better health within reach, every day.

We fulfil our purpose by developing and launching high-quality products at competitive prices across our markets, by expanding production capacity, and by entering new markets. We also work with patients, healthcare providers and other stakeholders to assist patients and enable a more robust healthcare ecosystem. More information summarising our approach to access to medicine can be found in the sustainability section of our website.

Governance

We have in place an Access to Medicine Committee chaired by two members of the Executive Committee, the Executive Vice Chairman and President of MENA, who also sits on the Board of Directors, and the EVP, Corporate Development and M&A. The aim of the Committee is to strengthen collaboration across our business in promoting equitable access and improving the patient journey.

During the year, we explored across our business the ways in which we can bring equitable access to medicines for patients.

In 2025, we will work to improve reporting and communication around access and patient impacts by measuring and disclosing metrics related to the issue.

MENA

We operate 20 manufacturing plants in MENA and are completing new injectable plants in Algeria and Morocco. We are now the second largest pharmaceutical company by sales[1] and we continue to expand our local manufacturing capacity to ensure patients have access to critical medicines throughout the region.

Across the region, our areas of focus align closely with national healthcare priorities and disease burdens, and we work with relevant stakeholders to strengthen national healthcare systems. Our commercial teams regularly collaborate with doctors, clinicians, and pharmacists to improve disease awareness, healthcare standards, and access to quality medical care in the region.

North America

In the US, we are the seventh largest generic medicines manufacturer.[2] We supply a broad range of injectable and non-injectable products to patients in the US and, more recently, in Canada. We operate manufacturing, R&D, and distribution facilities across New Jersey and Ohio and are a leading provider of oral solid, liquid, and nasal generic medicines distributed to patients through pharmacies, hospitals, health benefits programmes, and other customers.

We are also a top three manufacturer of injectable medicines by volume[3] and operate a sterile compounding business focused on providing high-quality, ready-to-administer injectable medications that are customised to the specific needs of hospital patients in the US.

Our work also involves coordination with policymakers to better address persistent drug shortages and to align our domestic production with the needs of patients and medicine availability. Working with partners such as the Remedy Alliance is ensuring the alleviation of common barriers such as supply and price for patients.

Europe

We manufacture sterile injectable products in Portugal, Italy and Germany which supply our global markets. We continue to grow, acquiring a new R&D centre in Croatia and expanding our capacity in Portugal. We also sell injectable medicines across Europe, with a commercial presence in Germany, Italy, France, Spain, the UK and Portugal.

1. Based on internal analysis by using data from the following source: IQVIA MIDAS® Monthly Value Sales data for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia and UAE, for the period: calendar year 2024, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved
2. IQVIA MAT November 2024, includes all generic injectable and generic non-injectable products by sales
3. IQVIA MAT November 2024, generic injectable volumes by eaches, excluding branded generics and Becton Dickinson

Medicine donation programme

We partner with local and international NGOs such as Direct Relief and Jordan Hashemite Charity Organization (JHCO), donating medicine to patients in need and providing aid and relief to those impacted by natural disasters and conflicts. Through our programmes, we are able to ensure urgent care reaches underserved population segments, such as low-income groups, displaced persons and those lacking sufficient medical coverage.

Medicine donations
(COGS) $m

2024	**$4.1m**
2023	$4.9m
2022	$4.3m

Hikma community health initiative

Through our Hikma Community Health initiative, we partner with those on the frontlines of the overdose public health emergency across the US

During 2024 we continued our long-standing commitment to working with government officials, health care providers, non-profit organisations and the public health community to increase the accessibility of the overdose reversal medicine naloxone.

The US Centers for Disease Control and Prevention (CDC) estimates that more than 107,000 Americans died from drug overdoses in 2023, with many deaths attributed to illicit fentanyl. As a US-based manufacturer of multiple forms of overdose reversal medicines and treatments for opioid use disorder, Hikma is proud to have donated more than 600,000 doses of naloxone over the last three years.

In 2024, we partnered with US state government bodies and community organisations to expand access to our naloxone portfolio and provided a Co-Pay Assistance Programme for eligible individuals, further increasing access and decreasing out-of-pocket costs for this life-saving medication.

We also supported multiple overdose awareness days and naloxone training events with community partners and government leaders.

> "Naloxone training events help build understanding of this vital tool that individuals, families, first responders and communities can quickly use to reverse overdoses and save lives."

Acting responsibly at Hikma
continued

Community outreach

Community engagement is central to our sustainability agenda. We organise activities across our global footprint to address social and economic challenges facing our communities, and empower our employees with opportunities to make positive and meaningful change.

Where we focus

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

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

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

Community outreach highlights

4,700+	10,600+	98	$3.9m
volunteers	volunteering hours	partners globally	charitable donations

Providing better health

Providing access to clean water for families in Egypt

In 2024, we expanded our effort to provide access to clean water for people in Egypt

The project, completed in partnership with Al-Orman Association and focusing on the Fayoum Governorate, will directly benefit more than 1,400 people by providing them with sustainable access to clean water. This project builds on the success of our 2022 water access project through which we funded the construction of water wells and enabled five families to receive access to clean water.

Supporting education for displaced persons

Since 2021, Hikma Pharmaceuticals has been supporting UNHCR, the UN Refugee Agency through their Albert Einstein German Academic Refugee Initiative (DAFI). The DAFI programme offers scholarships to refugees, providing an opportunity to attain higher education

In 2024, we expanded our tertiary education scholarship programme to include 40 more students, bringing the total to 80 in Jordan, Algeria, and Egypt. This support enables talented refugees to access higher education, transforming lives and benefiting families and communities. Hikma's support has improved the long-term stability of refugee-hosting communities and contributed to development in host and origin countries. Additionally, in 2024, Hikma funded two DAFI scholars joining an Innovation Camp to learn about social entrepreneurship and develop impactful initiatives.

© UNHCR/Claire Thomas

Supporting education

Helping people in need

160,000
meals contributed by Hikma to food banks across the US

Supporting food banks for those in need

Providing healthy meals for people in our communities

Since 2020, our US locations have collaborated with local food banks and pantries to assist community members in need. Given the various financial challenges faced by communities, more and more people are finding access to free meals essential as they try to make ends meet. We continue to support our partners financially and adapt our programmes to their needs, including organising volunteer activities, fundraisers, and donations.

In 2024, Hikma reinforced its dedication by becoming the Fresh Food Sponsor for The Emergency Assistance Center (TEAC), aiding those facing food insecurity. We supplied a variety of fresh produce and other essential food items. Overall, Hikma contributed over 160,000 meals to food banks across the United States.

Acting responsibly at Hikma
continued

Empowering our people

Shaping an inclusive culture where everyone can thrive

Employee wellbeing and health and safety

We are committed to our people and to ensuring that the employee experience improves over time. The feedback of our people is consistently taken into consideration, including through the People Voice Survey. The survey findings guide our approach to employee engagement and wellbeing. Our ambition is to foster an inclusive environment where every employee feels like they truly belong.

We continue to prioritise the health and safety of our people. Our Group Environmental Health and Safety policy statement, updated in 2024, strengthened and standardised our approach to ensuring the wellbeing of our employees and other workers at our locations globally.

In 2024, we rolled out global initiatives focused on the physical, mental and emotional health of our people. These include mental health and mindfulness webinars for employees, enhanced workspaces for pregnant employees and wellness days focused on nutritional and physical awareness.

> "In 2024, we rolled out global initiatives focused on the physical and mental health of our people."

Extending support to employees with children facing disability

During the year, we established a support system for employees with children facing disability

At Hikma, part of how we embody our value of caring is by extending support to our employees and their families when they are in need.

Recognising the challenges faced by employees with children who have disabilities, Hikma introduced a targeted financial support initiative in 2024. This program has already benefited over 25 employees, particularly in regions where government assistance is limited. By providing financial aid for therapy, specialised education, and essential equipment, this initiative eases the emotional and economic burdens on our employees. It reflects our commitment to holistic wellbeing, ensuring our people feel supported both at work and in their personal lives, fostering a culture of belonging.

Investing in our people

At Hikma, we focus on learning and development to improve the capabilities of our employees and enhance their career potential.

In 2024, we continued to roll out our Leadership Development Programme, which is designed to help improve and build employees' managerial skills. It includes a 360-degree feedback assessment and a comprehensive 12-month development plan. This year, 246 employees across our markets took part in this programme.

Strengthening our culture of progress and belonging

We believe that a diversity of views, experiences, and backgrounds strengthens the effectiveness of our workforce and supports our ability to successfully deliver our purpose and strategy. We remain committed to promoting our culture of progress and belonging, which provides all employees with opportunities for personal and professional growth. We believe in fostering an inclusive workplace where all employees feel they belong, and as they grow and develop, so does Hikma.

In 2024, we introduced a new policy that reflects our commitment to maintaining a workplace where everyone can be themselves and achieve their potential, and ensures our company represents the communities that we serve. We also introduced a comprehensive training programme for managers and employees through which our people can further their understanding of the benefits of our inclusive culture and our commitment to these values.

Acting responsibly at Hikma
continued

Protecting the environment

Minimising our impact on the planet

Target	2024 Progress	Status	Our aim for 2025
By 2030, reduce our scope 1 and scope 2 emissions by 25% (baseline: 2020) L	We invest in energy efficiency and renewable energy generation, which enables us to minimise our emissions while continuing to grow as an organisation		Continue to pursue renewable energy and energy efficiency solutions and explore long-term green energy procurement opportunities where we operate
By 2026, revise long-term carbon reduction targets and implement key renewable energy projects S	Idenfitied and implemented opportunities to improve energy efficiency and reduce carbon emissions and identified key renewable energy projects		Continue efforts to drive efficiency and emissions reductions and to begin implementation of key renewable energy projects
By 2028, deliver key aspects of the ISO 46001 water efficiency management system in the MENA region L	Conducted site-level assessments to identify opportunities to improve water management		Begin implementation of water stewardship standards at relevant sites

Timeframe: L Long-term S Short-term
Status: Achieved On track Partially achieved

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

In 2024, our Scope 1 and 2 emissions (market-based) measured 123,307 tonnes of carbon dioxide equivalent (tCO_2e), maintaining a 15% emissions decrease from our 2020 base year.[1]

During the year, we developed solar energy generation capacity in Jordan, Morocco and Saudi Arabia, and pursued energy efficiency measures globally.

Continuous investments in energy efficiency, cleaner technologies and renewable energy generation has helped us maintain a stable emissions footprint even as we pursue significant site expansions and production increases. Nonetheless, we remain committed to our goal of reducing emissions by 25% by 2030.

Our Scope 1 and 2 emissions reduction target

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

We are making good progress towards achieving our target. Compared to our base year (2020), our 2024 Scope 1 and 2 emissions have decreased by 15%.

We have achieved emissions reductions largely through the expansion of green electricity procurement in all of our European facilities and through investments in renewable energy infrastructure and other initiatives to improve energy efficiency across our sites.

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

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

For reporting in this Annual Report, we have used data from January to September of 2024 and estimated quantities for October to December 2024.

Our Sustainability Report, published later in 2025, will contain updated emissions and environmental data for full-year 2024. More information on our data management methodology can be found here **www.hikma.com/responsibility.**

1. Our 2024 reported figures for energy and emissions are based on actual consumption for Q1-Q3 and a Q4 estimation as explained in the Methodology and assurance section. Locations relevant to the Xellia acquisition have been included in our GHG and energy footprint from the formal date of acquisition, as we do not currently consider the acquisition to be a significant structural change, based on the principles of the GHG Protocol Corporate Standard

We have internal sustainability reporting criteria for key metrics that guide our sustainability reporting. The criteria define our reporting boundary and conditions for restatements, and establish a unified hierarchy for estimating consumption where actual data are not available.

Our emissions calculation does not contain any material omissions, as determined by the reasonable level of assurance received on this data. In some cases, where any month's data is missing, it has been estimated using the following methodology: using data from one year prior to the month to be estimated or previous year as proxy, calculate an average daily consumption over that period and apply that to the number of days within the month to be estimated.

EcoAct was engaged by Hikma to provide independent third-party reasonable verification of its direct (Scope 1) and indirect (Scope 2 and selected Scope 3) GHG emissions, as detailed in this report. Based on the data and information provided by Hikma and the processes and procedures followed, it is EcoAct's verification opinion that the following GHG emissions totals are fairly stated and free from material error for 2024.

Verified emissions by EcoAct include:

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

UK emissions
The Group operates one location within the United Kingdom, where we are listed, which is an office building that is managed by a third party. During the year, the UK site consumed 891 MWh of energy, which is equivalent to 194 tCO_2e.

The energy consumption is measured by meter readings provided by the managing agent and relates to electricity and gas used for heating, cooling and general office power.

Reported fuel use between 2020 and 2024 for the UK was an estimate that was developed based on employee headcount.

The Group does not provide transport within the UK other than via private hire vehicles for which consumption data is not available.

GHG emissions: Scope 3
We began measuring our indirect, Scope 3 emissions in 2021, prioritising the oversight of emissions most relevant to our business. We continue to refine the quality of our emissions measurements and engage with our suppliers to better understand their commitments to emission reductions.

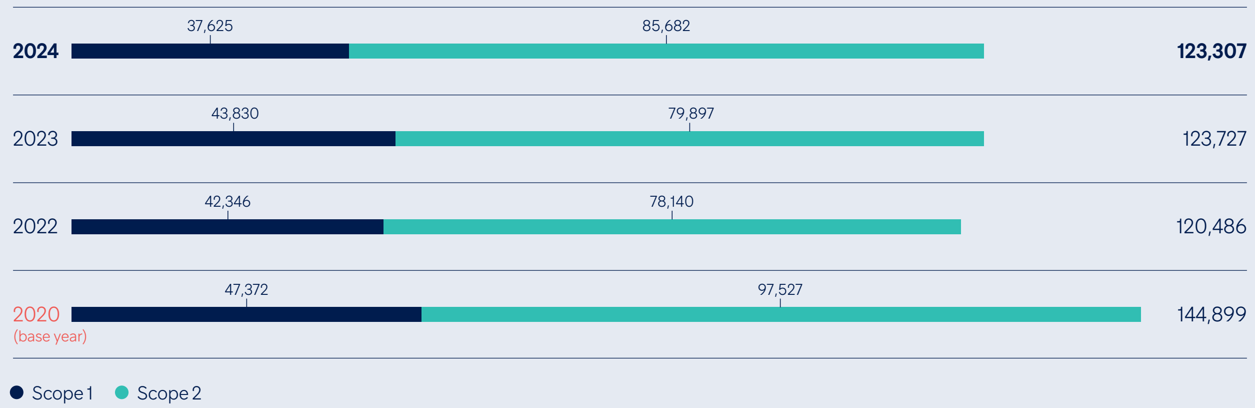
In 2024, the change in emissions from the Purchased Goods & Services category was primarily driven by our team's continuous efforts to enhance the accuracy and reliability of our Scope 3 reporting. A key milestone was the adoption of supplier-specific emission factors, enabling us to capture real emissions data rather than

UK emissions (as a percentage of Group Scope 1 and 2 emissions)	0.16%

GHG emissions (tCO_2e)

	2020 (base year)	2022	2023[1]	2024[2]
Scope 1 – Combustion of fuel and operation of facilities	47,372	42,346	43,830	**37,625**
Scope 2 (market-based) – Electricity	97,527	78,140	79,897	**85,682**
Total Scope 1 and 2 emissions (market-based)	144,899	120,486	123,727	**123,307**
Year-on-year change in Scope 1 and 2 emissions (market-based)	N/A	(10%)	3%	**0%**
Change in Scope 1 and 2 emissions (market-based) since base year 2020	N/A	(17%)	(15%)	**(15%)**
Scope 2 (location-based) – Electricity	94,949	79,601	83,536	**89,247**

GHG emissions
(tCO_2e)



1. Our 2023 reported figures for emissions reflect full year actual values as reported in our Sustainability Report 2023
2. Our 2024 reported figures for energy and emissions are based on actual consumption for Q1-Q3 and a Q4 estimation as explained in the Methodology and assurance section. Locations relevant to the Xellia acquisition have been included in our GHG and energy footprint from the formal date of acquisition, as we do not currently consider the acquisition to be a significant structural change, based on the principles of the GHG Protocol Corporate Standard

Acting responsibly at Hikma
continued

Energy consumption (MWh)

	2020 (base year)			2022			2023			2024[1]		
	UK	Rest of the world	Total	UK	Rest of the world	Total	UK	Rest of the world	Total	**UK**	**Rest of the world**	**Total**
Electricity	129	223,634	223,763	116	247,011	247,127	167	217,653	217,820	**168**	**236,151**	**236,319**
Fuels	871	217,644	210,528	882	178,326	210,528	882	212,731	213,613	**723**	**183,758**	**184,481**

Emissions intensity by revenue[2] (tCO_2e / $m revenue)

	2022	2023	**2024**
Scope 1 and 2 emissions (market-based) / revenue	47.9	43.0	**39.1**
Scope 1 and 2 emissions (location-based) / revenue	48.4	44.3	**40.2**

relying on database averages. This shift not only improved precision but also reflected the impact of suppliers' own decarbonisation initiatives.

In 2024, we refined our methodology by correctly categorising employees using private cars versus those utilising company-provided transportation (reported under Scope 2). This adjustment ensures more precise calculations and is reflected in the reduction in Employee Commuting.

We also intensified our focus on refining data quality by transitioning more categories—most notably packaging materials for devices—from a monetary-based to a quantity-based calculation approach. As a result of internal analyses conducted during the year, we revised our upstream and downstream reporting methodology and will introduce Category 9: Downstream transportation and distribution in future reports.

Furthermore, the overall reduction in emissions was also influenced by a decrease in direct spend and a shift towards markets with lower emission coefficients, primarily due to reduced sourcing from China.

Assurance of Scope 3 emissions data
For calculation of the remaining Scope 3 categories (Category 1: Purchase of goods and services, Category 2: Capital goods, Category 4: Upstream transportation and distribution, and Category 6: Business Travel), we worked with an external third party, Sievo Oy, to assess our carbon footprint for these categories. Sievo has contracted Ernst & Young (EY) under a 'limited assurance engagement', as defined by International Standards on Assurance Engagements 3000 (ISAE 3000) to report on the methodology and the emission factors used behind the 'CO_2 Analytics' tool (the Tool) as of 2023.

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

Sustainable supply chain
Through our partnership with EcoVadis and the use of our internally developed sustainability questionnaire, we are further enhancing our understanding of the sustainability maturity of our suppliers, currently covering over 60% of our annual spend. We actively engage with suppliers identified as having flagged risks, requesting and supporting the implementation of recommended corrective action plans. Notably, we have already observed improvements among suppliers who have been reassessed after taking corrective actions.

Our goal is to continue to leverage both EcoVadis and our sustainability questionnaire to increase the proportion of major spend suppliers that are screened for sustainability criteria and continue to monitor and improve the mapping of Scope 3 emissions.

We continued our efforts to proactively engage with our procurement community and key suppliers to raise awareness about the sustainability maturity levels of our supply base. Our efforts included targeted outreach to mostly primary materials suppliers, encompassing those who represent just over 55% of Hikma's Scope 3 emissions footprint.

These direct engagements provide insights into their carbon reduction and energy efficiency goals. They also highlight opportunities for collaboration projects aimed at reducing our own carbon footprint.

Looking ahead, we aim to expand the application of sustainability criteria to a larger proportion of our key suppliers. This will be achieved through collaboration with EcoVadis and, if needed, by leveraging Hikma's own sustainability questionnaire for selected suppliers. This approach reflects our ongoing commitment to fostering sustainable practices and promoting responsible business operations across our supply chain.

All our suppliers, both new and existing, undergo thorough assessment through our third-party Moody's platform to ensure compliance with comprehensive due diligence protocols.

As part of this process, we evaluate all suppliers for any potential risks, including but not limited to financial stability, modern slavery, and ethical practices. Our due diligence monitoring is ongoing, ensuring that all vendors—whether newly onboarded or long-standing partners—are consistently subject to our third-party risk management process.

Our cross-functional Modern Slavery Task Force, comprising members from procurement, legal, and compliance, continue to implement our thorough risk-based approach in assessing risk for all forms of modern slavery.

Through this approach, we identified certain suppliers with potential risks and issued additional modern slavery questionnaires for further assessment, while also leveraging EcoVadis. We actively engaged with these suppliers, working closely to ensure their responses were comprehensive and addressing any concerns to confirm that no viable risks remain.

Looking ahead, our approach will continue to be implemented, ensuring it remains aligned with evolving best practices and legal standards.

1. Our 2024 reported figures for energy and emissions are based on actual consumption for Q1-Q3 and a Q4 estimation as explained in the Methodology and assurance section. Locations relevant to the Xellia acquisition have been included in our GHG and energy footprint from the formal date of acquisition, as we do not currently consider the acquisition to be a significant structural change, based on the principles of the GHG Protocol Corporate Standard
2. Emissions intensity is calculated using Group-wide revenue ($m)
   - Revenue 2022: 2,517
   - Revenue 2023: 2,875
   - Revenue 2024 (core): 3,156

Water and waste management

The use of water and the management of waste are critical for the pharmaceutical manufacturing process and we have policies and practices in place to ensure we manage water both effectively and in compliance with laws and regulations.

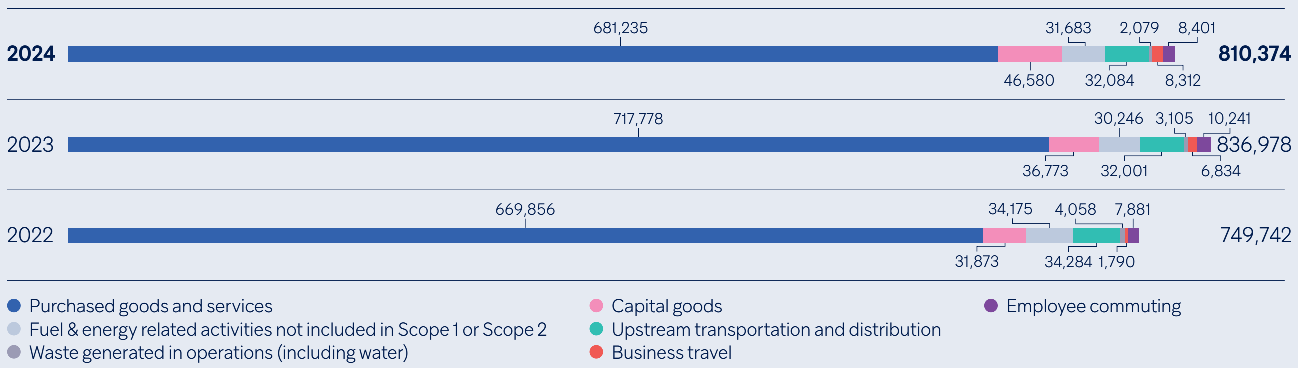
Following assessments of water-related risks across our locations, we conducted deep dive analyses of our facilities located in water-scarce areas. In order to address water scarcity in our locations of operation, we are improving water management systems and identified opportunities and gaps to conserve and use water more efficiently.

"We conducted a deep-dive analysis of water consumption for sites located in water-stressed areas."

GHG emissions, Scope 3 (tCO_2e)

Scope 3 category	Category description	Notes	2022	2023	**2024**
1	Purchased goods and services		669,856	717,778	**681,235**
2	Capital goods		31,873	36,773	**46,580**
3	Fuel & energy related activities not included in Scope 1 or Scope 2		34,175	30,246	**31,683**
4	Upstream transportation and distribution		34,284	32,001	**32,084**
5	Waste generated in operations (including water)		4,058	3,105	**2,079**
6	Business travel		1,790	6,834	**8,312**
7	Employee commuting		7,881	10,241	**8,401**
8	Upstream leased assets	• not relevant	–	–	**–**
9	Downstream transportation and distribution	• relevant, not yet calculated	–	–	**–**
10	Processing of sold products	• not relevant	–	–	**–**
11	Use of sold products	• relevant, not yet calculated	–	–	**–**
12	End of life treatment of sold products	• relevant, not yet calculated	–	–	**–**
13	Downstream leased assets	• not relevant	–	–	**–**
14	Franchises	• not relevant	–	–	**–**
15	Investments	• relevant, not yet calculated	–	–	**–**
	Total[1]		783,917	836,978	**810,374**

GHG emissions, Scope 3
(tCO_2e)



1. Changes in Scope 3 emissions totals between years is partially due to continuous refinement of calculation methodology and the introduction of new emissions categories to our reporting boundary

Acting responsibly at Hikma
continued

Building trust through quality in everything we do

Upholding ethical standards and acting with integrity

> "Through our global compliance programme, we have adopted internal controls and risk management processes to ensure the responsible and ethical conduct of our business."

Ethics and Compliance

We maintain our commitment to upholding the highest ethical standards in the conduct of our global business operations. This is grounded in our values: innovative, caring, and collaborative. These values serve as the foundation for our governance framework. Our Code of Conduct (Code) 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 are trained on the Code as part of their orientation and are provided refresher training on an annual basis. In 2024, the Code of Conduct training completion rate was 98%.

In addition to our Code, we have also developed policies and procedures designed to help employees and third parties put these behaviours into practice. The Compliance Team provides comprehensive trainings in all regions where Hikma operates to raise awareness and prevent Compliance risks that might create exposure for the Company. Through our global compliance programme, we have adopted internal controls and risk 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 believe in transparency and promoting 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. Our speak up channels provide both internal and external stakeholders the ability to raise their concerns confidentially, in alignment with all applicable laws and regulations. All cases received are reviewed, and investigated, as appropriate, by our Legal and Compliance teams. Substantiated violations of our Code or other policies and procedures are addressed through corrective actions, protective measures and when deemed necessary, disciplinary actions.

Our Compliance, Responsibility and Ethics Committee (CREC) provides oversight of our global compliance programme and the management of associated risks, including bribery and corruption. At Hikma, we have a zero-tolerance policy for bribery and corruption. 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.

Ethical supply chain

Our Supplier Code of Conduct plays a pivotal role in our onboarding process, ensuring suppliers adhere to applicable laws, uphold high-quality standards, and conduct business ethically. This commitment fosters trust and transparency across our operations.

The Code addresses key areas such as regulatory compliance, labour rights—including the prevention of modern slavery— product quality assurance, and environmental sustainability.

By enforcing these standards, we continue to mitigate risks related to fraud, contamination, and non-compliance, thereby protecting the integrity of our supply chain. The Code is publicly available on our website.

All our suppliers, both new and existing, undergo thorough assessment through our third-party Moody's platform to ensure compliance with comprehensive due diligence protocols. The platform uses a set of risk evaluation criteria to place third parties into categories based on level of risk. High-risk third parties are subject to enhanced due diligence processes. Third parties are continuously monitored to identify potential reputational and compliance risks including sanctions, adverse media coverage and political affiliations. It is seamlessly integrated with our ERP system, Moody's risk data, and EcoVadis's sustainability rating tool to ensure full transparency and adherence to our risk processes.

Our cross-functional Modern Slavery Task Force, comprising members from procurement, legal, and compliance, continue to implement our thorough risk-based approach in assessing risk for all forms of modern slavery.

Through this approach, we identified certain suppliers with potential risks and issued additional modern slavery questionnaires for further assessment, while also leveraging EcoVadis. We actively engaged with these suppliers, working closely to ensure their responses were comprehensive and addressing any concerns to confirm that no viable risks remain.

Looking ahead, our approach will continue to be implemented, ensuring it remains aligned with evolving best practices and legal standards.

1. Starting year for short-term CSA range from 2021 to 2024, depending on date that the CSA was last assessed.

Product quality and safety

Ensuring the wellbeing and safety of our patients is the core of our mission. We uphold a strict pharmacovigilance framework to safeguard against patient harm and to guarantee the safe, effective use of our products.

We have globally aligned processes to identify, assess, and communicate any changes in the benefit-risk balance of our products and to implement timely corrective and preventative actions.

Our pharmacovigilance efforts span the entire lifecycle of our products on a global scale, adhering to all regional regulations and deadlines for safety reporting. Pharmacovigilance is monitored at the highest levels of our business and is included in our enterprise risk management process, which is overseen by the Executive Committee and the Board on a regular basis.

To ensure the applicability, adequacy, and effectiveness of our pharmacovigilance system, we monitor our worldwide compliance metrics on a monthly basis. These metrics are documented in global pharmacovigilance monthly reports and are discussed in global pharmacovigilance monthly meetings. Furthermore, findings from pharmacovigilance audits and inspections and the status of implementing corrective and preventative actions are discussed in quarterly pharmacovigilance quality meetings.

Our marketed products (either manufactured by Hikma or outsourced through partners) comply with Current Good Manufacturing Practices (cGMPs). We implement quality oversight on our suppliers, partners and sub-licensors to ensure that these stakeholders are in full compliance with regulatory standards and Hikma requirements. Quality agreements are in place to focus on compliance to cGMPs and define each party's responsibilities. Risk-based cGMP audits are also conducted on suppliers by our global quality team and other reputable third-party consultants.

> "We uphold a strict pharmacovigilance framework to ensure the safe and effective use of our products."

Maintaining constituency in FTSE4Good Index

We maintained our membership of the FTSE4Good Index Series for the tenth consecutive year.

The FTSE4Good is an index of LSE-listed companies that demonstrate strong Environmental, Social and Governance (ESG) practices as measured against globally recognised standards. The index assesses the sustainability-related performance of companies, particularly around addressing themes including human rights, anticorruption, environmental performance, health and safety, and community engagement. FTSE4Good assessments are used by a wide variety of market participants to develop responsible investment funds and other products.

Task Force on Climate-related Financial Disclosures (TCFD)

This section includes disclosures that are consistent with the requirements outlined within the TCFD as well as the mandatory reporting requirements set out in the Companies Act relating to Climate-related Financial Disclosures (CFD).

As a UK-listed company, and in accordance with UK Listing Rule (UKLR) 6.6.6(8), this section summarises our progress as of 31 December 2024 against the four TCFD pillars and 11 TCFD recommendations. Our approach follows the TCFD's All Sector Guidance. Data and records that support these disclosures are retained in accordance with the UK Financial Conduct Authority requirements for listed entities. Our disclosures are fully consistent with nine of the TCFD recommendations and partially consistent with two recommendations, as set out on pages 62 and 63, recognising that we will continue to improve and refine our implementation of the recommendations. Our TCFD and CFD disclosures have supported the awareness and integration of climate-related issues into our broader business strategy.

Compliance statement and index table

Consistency: ● Consistent ● Work in progress

Disclosure	Consistency	Status	Reference
Governance			
a) Describe the board's oversight of climate-related risks and opportunities	● Consistent	– The Board has ultimate responsibility for Hikma's Sustainability strategy and monitors the impact of climate change on the Group and the Group's impact on the environment. Climate-related risks are considered by the Board and are included in the Enterprise Risk Management programme. The Board also reviews progress in relation to the metrics and targets defined for climate-related risks and opportunities – The VP of Sustainability oversees the implementation of the Group sustainability strategy and the identification of climate-related risks and opportunities	Page 66
b) Describe management's role in assessing and managing climate-related risks and opportunities	● Consistent	– Hikma's VP Sustainability, who reports into the EVP Strategic Planning and Global Affairs – a member of the Executive Committee (EC), leads the Group's assessment of climate-related risks and opportunities and manages these through the cross-functional TCFD Working Group, which includes relevant internal stakeholders – The Environmental Sustainability Committee, chaired by two Executive Committee members including our Chief Executive Officer, oversees our climate-related action plans	Page 66
Strategy			
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	● Consistent	– Through climate scenario analyses (CSA), Hikma has identified and assessed climate-related risks associated with carbon pricing, energy pricing and water stress, and physical impacts on our facilities, such as floods and storms. Hikma has also evaluated climate-related opportunities, including conducting a CSA that assessed the financial opportunity of increasing onsite renewable energy (RE) capacity within our facilities – In 2024, Hikma expanded the scope of its CSA to assess water stress risk to include Columbus (OH, USA), Morocco, Portugal, and Tunisia	Page 69
b) Describe the impact of climate-related risks and opportunities on the business, strategy, and financial planning	● Consistent	– The financial impact of climate-related risks has been considered over three time horizons to 2050 – Until 2030, which we consider to be short-term for the purpose of climate-related risk analyses, the financial impact is not material as per materiality definition on page 69 – We incorporate climate-related risks and opportunities into our business strategy and financial planning by budgeting for energy and water-use efficiency, increasing renewable energy capacity, and working with third-party advisors and consultants	Page 70, 71
c) Describe the resilience of the organisation's strategy, considering different climate-related scenarios, including a 2°C or lower scenario	● Consistent	The results of our CSA show that climate change is not expected to have a material impact on the Group's financial viability for the short-term time horizon to 2030. Our CSA, longer-term viability statement and impairment tests are aligned through common scenario inputs. Given the limited expectations for climate-related financial impacts, the Group believes that its strategy is robust and will be resilient to climate change in the time horizon to 2030	Page 75
Risk management			
a) Describe processes for identifying and assessing climate-related risks	● Consistent	– In 2024 we reviewed and updated our climate-related risk and opportunities register including input from business stakeholder workshops, peer review benchmarking, our risk management programme, and other sources – The TCFD Working Group assessed risks and opportunities from the updated risks register in terms of likelihood, velocity, and impact at Group level – In 2024, we also conducted a renewable energy (RE) opportunity CSA through which we assessed the financial opportunity of increasing RE capacity within our facilities – Expansion of water stress CSA in 2024 (see Strategy point above)	Page 66, 67
b) Describe processes for managing climate-related risks	● Consistent	Climate-related risks are identified, assessed, and managed by teams across the organisation, steered by our Sustainability function. The risk score and our risk appetite determine the level of escalation and monitoring within Hikma's risk management framework	Page 66, 67
c) Describe how processes for identifying, assessing and managing climate-related risk are integrated into overall risk management	● Consistent	We regularly assess climate-related risks and review TCFD alignment as part of our enterprise risk management process, where climate change is characterised as an Emerging Risk	Page 68

TCFD Disclosure
continued

Disclosure	Consistency	Status	Reference
Metrics and targets			
a) Disclose metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	●	Metrics used to assess our climate-related risks and opportunities include Scope 1, 2 and 3 emissions, electricity consumption, emissions intensity, water consumption and waste generation among others	Page 77
b) Disclose Scope 1, Scope 2 and Scope 3 GHG emissions and related risk	●	We disclose details of our Scope 1, Scope 2 and seven relevant categories in Scope 3 GHG emissions Four Scope 3 categories have been determined to be not relevant. Four categories are determined to be relevant but not yet calculated and we are working to introduce disclosures for these categories in the near term. We will introduce Scope 3 categories 11 and 12 in 2025 and anticipate reporting against categories 9 and 15 in 2026 Increasing energy costs and carbon pricing present potential risks to our business	Pages 56- 59
c) Describe targets used to manage climate-related risks and opportunities and performance against targets	●	We manage our climate-related risks and opportunities and performance against the following Scope 1 and 2 and water-related targets: – Reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline – By 2026, revise long-term carbon reduction targets and implement key renewable energy projects – By 2028, deliver key aspects of the ISO 46001 Water Efficiency Management System in the MENA region We currently do not have Scope 3 targets in place but proactively engage with our key suppliers to raise awareness about sustainability. We are working to improve our understanding of emissions in our value chain and have an ambition to introduce Scope 3 targets in the medium term. We will consider this disclosure as consistent once a Scope 3 target has been set and established – In addition, we are actively engaging with our value chain partners to partially mitigate the impact of carbon cost pass-through in the future	Page 56

Key improvements in 2024

- Refined our climate scenario narratives, providing deeper insights into potential climate-related risks and opportunities, including the significance of their financial impacts
- Strengthened our water stress CSA by expanding research scope to include Columbus (OH, USA), Morocco, Portugal, and Tunisia
- Developed renewable energy opportunity CSA to assess the financial opportunity of pursuing renewable energy solutions globally at our facilities
- Conducted a double materiality assessment (DMA) to refresh our materiality index in line with CSRD requirements. The DMA includes analysis of potential environmental risks, opportunities and impacts (IROs) over short-, medium- and long-term time horizons (less than one year, between 1-5 years and longer than five years respectively)
- As part of the DMA process, we engaged critical business stakeholders to identify potential climate-related risks and opportunities that could influence their business areas and conducted an employee survey to prioritise sustainability topics including climate change
- Developed a methodology for introducing most of our relevant Scope 3 categories that are not yet calculated (Category 9, 11 and 12)

Key improvements planned for 2025

- We will continue to assess Scope 3 categories that are considered to be relevant, but not yet calculated and where possible include them in our reporting scope
- We will align the findings of the DMA with potential future CSAs that improve our understanding of potential climate-related risks and opportunities

Trigger points

In line with good risk management practice, the TCFD Technical Guidance recommends that a CSA programme should be re-assessed when the context of the organisation changes.

The following "Trigger points" have been adapted from TCFD Technical Guidance and have been assessed by Hikma as part of the CSA Programme in 2024.

Trigger point	Assessment
1. Key location changes in a company's portfolio. If companies expand into new regions, they are likely to encounter novel physical and transition risks	In April 2023, Hikma halted operations in Sudan due to ongoing conflict. This reduced Hikma's exposure to the climate-related risk of flooding as Sudan was determined through CSA to be a location at high risk of extreme weather events, particularly flooding. In September 2024, Hikma acquired Xellia's US-based finished dosage form business and related assets, including a manufacturing site in Bedford (OH), an R&D centre in Zagreb (Croatia) and a commercial office in Chicago (IL). These facilities will be included in future CSA assessments.
2. Release of updated climate scenarios and models which may impact the projections of risks and opportunities	NA
3. Developments in climate-related policies previously unforeseen during the original climate scenario analysis process	NA
4. Changes to company's strategies or operations leading to changes in the materiality of climate risks and opportunities to the business	There have not been any significant changes to the Group's strategy or operations that change the exposure to climate-related risks in 2024, other than the change in operational footprint noted in Trigger Point 1 above.

TCFD Disclosure
continued

Governance

Board level oversight
Our Board of Directors, led by the Chairman of the Board, oversees our environmental sustainability strategy and considers climate-related matters throughout the year. Our EVP Strategic Planning and Global Affairs and VP of Sustainability provide ESG-related updates to the Board, including climate-related risks and opportunities, progress against environment-related targets and any changes in risk status, in scheduled bi-annual presentations and in more regular updates to the Board's Compliance, Ethics and Responsibility Committee (CREC). ESG-related initiatives have been included in our five-year capital expenditure business plan, overseen by the Board. The Board has ultimate responsibility for the Group's approach to risk management and internal control and cliimate related risks are included in our Enterprise Risk Management process. The Audit Committee oversees risk management and internal control activities with delegated authority from the Board (see Risk Management section, page 80).

The TCFD Working Group presented the findings from the TCFD work this year to the Audit Committee. A general progress report is sent to the Chairman of the Board three times a year. The report includes a section on TCFD-related projects progress and environmental impact reporting.

The Remuneration Committee linked environment-related targets to the 3-year Long Term Incentive Plan (LTIP) for the Executive Chairman, the Executive Vice Chairman of the Board and the CEO. The targets were related to emissions reduction and approach to water stewardship. More information on metrics linked to Executive Remuneration can be found at 116.

Management level leadership
Our EVP Strategic Planning and Global Affairs, who reports directly into our CEO, heads up the TCFD Working Group that started in 2021 and consists of senior representatives from Group Risk Management, Procurement, Finance, Sustainability and Investor Relations. This group leads our internal cross-functional efforts to integrate the TCFD recommendations into our business and meets on a regular basis. Our VP of Sustainability, who reports to our EVP of Strategic Planning and Corporate Affairs, sets the sustainability strategy and the alignment of TCFD findings and recommendations with the broader corporate strategy.

Our crisis and continuity teams work closely with members of the TCFD Working Group and provide insight into the potential impact of climate-related risks on our operations.

In addition, external consultants help progress our understanding of Hikma's climate-related risks and opportunities. The Environmental Sustainability Committee reviews metrics, progress against TCFD recommendations and our targets and oversees the development of action plans. We continue to focus on strengthening our ESG governance, including climate change, at all levels of the organisation.

Risk management

Process for identifying and assessing climate-related risks
We identify and assess climate-related risks using a range of approaches. We conduct risk identification and assessment exercises as part of the enterprise risk management process with all risk owners across the business (see page 80 for details on our risk processes). The outcomes of these reviews feed into the TCFD working group's assessment of the most relevant climate-related risks for Hikma. The TCFD working group monitors relevant current and emerging regulation, market risks, reputational risks, technology risks and acute and chronic physical risks.

The Board has overall responsibility for climate-related risks and opportunities (CRROs), while the Executive Committee provides leadership in managing them.

Sustainability, risks and opportunities, and TCFD governance

Board
Oversight of Group sustainability strategy, risk and opportunity management, and TCFD consistency

Executive Committee
Leadership in implementing sustainability strategy, risk and opportunity management, and TCFD consistency

Sustainability management team
Led by the VP of Sustainability, oversees sustainability matters and the identification of climate related risks and opportunities

TCFD Working Group
Cross functional working group that includes senior leaders in Finance, Risk, Sustainability, Procurement, Legal and Investor Relations teams

Finance team

Risk management team

Investor relations team

Procurement team

Site management and operational teams

Crisis and continuity management

> **"Our governance structure ensures we are effectively managing our TCFD-related activities in the Board and across the organisation."**

The VP of Sustainability oversees the identification, assessment and management of CRROs, and works with other functions including the Risk Management team to integrate them into the Group's overall risk management process. Updates to CRROs are considered on an annual basis.

CSA methodology
To assess Hikma's climate-related risks and opportunities over the short, medium and long-term, we have undertaken, with third party support, a CSA and financial impact assessment. The CSA assessed a range of potential climate-related risks and opportunities across different climate scenarios and time horizons incorporating public reference projections for changes to the climate system, socio-economic pathways, energy market dynamics, technological progress and financial risks.

To support the narrative and understanding of climate-related risks and opportunities, we refined our climate scenario narratives in 2023. These narratives were informed by climate projections, per the table below. We have been performing CSA since 2021 and are continuously improving our insights. The table shows the details of the climate scenarios that we used over the years.

2024 CSA review
In 2024, we went through an independent review of our CSA work and our efforts to align with the TCFD recommendations, concluding that we have a well-developed TCFD response, year-on-year improvement and clear management processes to assess climate-related risk. We conduct annual reviews of our CSA methodology and in 2024 we incorporated a broader geographic boundary to assess water stress and conducted an assessment on pursuing onsite renewable energy opportunities. Our CSA exercises are robust, using publicly available data and projections.

Climate scenario narratives

Low Carbon world (~1.5°C) Orderly	Low Carbon world (~1.5–2°C) Disorderly	High Carbon world (~3–4°C)
This is a 'Net Zero by 2050' aligned scenario where global temperature rise is **limited to 1.5°C warming. The transition is smooth and immediate**.	This is a 'Net Zero by 2050' aligned scenario where global temperature rise is limited to **1.5°C but the transition is divergent and/or delayed**.	This is a 'business-as-usual' scenario where global **temperatures rise to 3–4°C** above pre-industrial levels.
Transition risks are likely to be experienced associated with the transition to a green economy however, physical risks will be reduced.	**Significant transition risks** are likely to be experienced associated with the transition; however, physical risks will be reduced.	Climate policies are not sufficient to achieve official commitments and **physical risks considerably increase** resulting in catastrophic impacts.

The Low Carbon world-Disorderly transition is considered the most relevant scenario to Hikma and those scenario assumptions have been used in financial statement preparations for alignment.

Time horizons used for CSA

Term	Years	Financial alignment
Short term	Up to 2030[1]	Include 5-year Business Plan and 3-year LTVS
Medium term	2031–2040	Next 8–16 years, asset life of equipment
Long term	2041–2050	Next 17–26 years, asset lifetime of properties and facilities

1. The start date of the CSA range from 2021 to 2024, depending on the specific theme

TCFD Disclosure
continued

Risks	Climate projections[1]	Associated climate scenario narrative: Low Carbon world Orderly	Low Carbon world Disorderly	High Carbon world	Timeline	Last assessed
Physical risks						
Impact of storms	– NOAA and Bank of England 1.5°C, 2°C, 4°C, based off various NGFS Scenarios	–	Y	Y	2030, 2040, 2050	2021
Impact of floods	– IPCC RCP4.5 (~2.4°C), IPCC RCP8.5 (4°C)	–	Y	Y	2030, 2040, 2050	2023
Impact of water stress	– IPCC RCP 1.9, IPCC RCP 2.6, IPCC RCP 8.5 – NGFS NZ, NGFS Divergent NZ, NGFS Current Policies – CBES LA, CBES NAA – IEA APS, IEA NZE, IWEA STEPS – Carbon Brief	Y	Y	Y	2030, 2040, 2050	2024
Transition risks and opportunities						
Impact of carbon pricing	– IPCC RCP 1.9, IPCC RCP 2.6, IPCC RCP 8.5	Y	Y	Y	2030, 2040, 2050	2023
Impact of energy pricing	– NGFS NZ, NGFS Divergent NZ, NGFS Current Policies – CBES LA, CBES NAA – IEA APS, IEA NZE, IEA STEPS – Carbon Brief	Y	Y	Y	2030, 2040, 2050	2023
Impact of pursuing RE opportunities		Y	Y	Y	2030, 2040, 2050	2024

Integrating risk management processes
Climate-related risks are identified, assessed, and managed by teams across the organisation, depending on the nature of the risk. Our risk management framework (see page 80) provides a structure for significant risks to be escalated and integrated into our enterprise risk management process.

Examples of how climate-related risks are managed and integrated into existing risk management activities include:
- Longer-term viability assessment: environment and climate change related risks are included in the scenario modelling (see page 88)
- Crisis and continuity management programme: site assessments of physical risks and controls are undertaken (see page 86)
- TCFD alignment is considered as part of the 'Reputation' principal risk
- Climate change occurrence is monitored as an emerging risk

1 CBES = Climate Biennial Exploratory Scenario, IEA = International Energy Agency, IPCC = Intergovernmental Panel on Climate Change, NGFS = Network for Greening the Financial System, NOAA = National Oceanic and Atmospheric Administration, NZ= Net-zero

Strategy

Risks and opportunities identified
In 2024, we expanded our CSA on water stress risk to include locations of some of our larger facilities including in Columbus (OH, USA), Morocco, Portugal and Tunisia. We also assessed and quantified the opportunity of developing renewable energy solutions at our facilities, conducted a general CSA programme review and a review of our alignment with the TCFD CSA Guidance (see table below). These actions were taken after our TCFD Workshop that was organised in 2023 with stakeholders from different businesses, corporate functions and geographical regions for the purpose of identifying and reviewing how climate change might impact our strategic business drivers. Participants in the 2023 TCFD Workshop included our TCFD Working Group (Investor relations, Finance, Sustainability, Risk, Procurement) as well as management from Operations, R&D, Manufacturing, Engineering, Supply Chain and Commercial. We explored how external influencing factors such as regulation, technology, energy costs, changing medical needs, supply chain vulnerability and the political landscape might translate into climate-related risks to our business, and what kind of climate-related opportunities might arise. The impact of storms on our business has not been reassessed since 2021 because the conditions remain the same for which we reached our previous conclusions on the matter.

Our updated climate-related risk register consists of 16 risks and opportunities. Through our risk management framework and assessment methodologies, we selected the following climate-related risks (four risks) and opportunities (one opportunity), deemed to be most relevant and for which modelling could be enhanced, for further analysis:

Physical risks
- Impact of extreme weather events including impact of severe floods and storms
- Impact of chronic changes to the natural environment, including increased water stress

Transition risks
- Impact of carbon pricing, including carbon pricing mechanisms, carbon pass-through costs in the supply chain and the increase cost of raw materials
- Impact of energy pricing

Climate-related opportunities
- Impact of pursuing renewable energy solutions globally, including through generation, power purchasing agreements and an active energy supply management strategy

Basis for determining which risks and opportunities are most relevant

Materiality

For the purpose of climate risk analysis, we apply a risk scoring matrix that considers likelihood, velocity of risks, financial impact, and a wide variety of possible impacts including but not limited to delivery of strategic objectives, patient safety, product quality, reputation, continuity of supply, management time and effort to remediate. In the context of climate risk analysis, the CSA results do not exceed our climate-related financial materiality threshold in the most relevant scenario Low Carbon world-Disorderly transition.

“We have been performing CSA since 2021 and continuously improve our insights.”

TCFD Disclosure
continued

Step in TCFD CSA guidance[1]	Consistency	Key improvements and next steps
Engaging stakeholders	Consistent	Continue to engage and inform key stakeholders about any current and future developments in our CSA approach, and to ensure that our stakeholders understand the purpose of the CSA process, the key steps conducted and the outcomes
Problem definition	Consistent	We conducted qualitative workshops to ensure our focal question was relevant to our business strategy and priorities and linked to our CSA work
Assessing context and identifying driving forces and uncertainties	Consistent	We conducted a workshop engaging key stakeholders to identify our key business drivers and review the list of identified climate-related risks and opportunities We conducted a quantitative analysis of energy pricing risk after it was flagged through the workshop as a potential missing risk
Understanding and describing scenario outcomes/pathways and writing qualitative scenario narratives	Consistent	We produced robust scenario narratives for three separate future climate scenarios: Orderly Transition, Disorderly Transition and High Carbon Scenario. We will continue to utilise these narratives to effectively inform stakeholders across the business about identified climate risks and opportunities
Quantification of risks, opportunities and financial impacts	Consistent	We work with third party experts to review applied models and identify/implement improvements, as well as to review the materiality of risks and opportunities and update accordingly
Checking quality and avoiding pitfalls	Consistent	We work with third party experts to conduct annual health checks of our CSA work and integrate recommendations and findings accordingly. We periodically update our CSA work and refine the scenarios and models used, and integrate the findings into our overall strategy
Strategic management using scenarios	Consistent	We assess the strategic relevance of risks that have not currently undergone quantitative modeling and ensure continuous monitoring and assessment of external environment and resilience strategies
Disclosure	Consistent	We include the following in our annual disclosures: – Explanation of how identified risks and opportunities were prioritised – Clearly defined conditions for risk and opportunity assessment, including clear time horizons, likelihood and magnitude – Disclosure of financial impacts of risks from the quantitative modeling – Details of the climate scenarios used – Disclosure of all time frames considered – Explanation of how CSA results are integrated into our strategy and how our strategy may change to accommodate risks and opportunities identified

1 For more information on CSA guidance, refer to Task Force on Climate-related Financial Disclosures Guidance on Scenario Analysis for Non-Financial Companies (2020), https://www.fsb-tcfd.org/

CSA findings

Below are summaries of our CSA findings.

	Financial impact – range across scenarios			
	2030: Short-term	2040: Medium-term	2050: Long-term	Climate scenario narratives used
Transition risks				
Impact of carbon pricing Reflected as potential increase in procurement costs in assessed categories due to carbon fee, if unmitigated (not cumulative)	\$3m – \$10m	\$7m – \$40m	\$8m – \$76m	Low Carbon world – Orderly transition Low Carbon world – Disorderly transition High Carbon world

How did we calculate the potential financial impact of carbon pricing?
We used the EcoAct Carbon and Energy Pricing Tool, which is informed by academic research, CDP data, and publicly available carbon price projections from the International Energy Agency. Cost exposure is calculated based on projected carbon and energy prices, combined with Hikma's projected consumption of relevant goods and services.

How would this risk affect operations and financial planning?
Direct emissions from Hikma's purchased goods and services will be regulated by (future) carbon pricing mechanisms, climate regulation and carbon tax. Carbon pass-through costs from 3rd parties in our supply chain, who are subject to carbon pricing (such as transport, distribution suppliers) will have an indirect impact on our cost base. Raw materials and packaging costs may increase due to climate-related constraints on plastics, labour and energy. We incorporated the following categories in our analysis: finished and semi-finished goods, upstream transport, energy, API, packaging, excipients, and intermediates.

Our diverse global presence (North America, Europe, MENA) sees varying degrees of sustainability advancement in our manufacturing countries, which necessitates constant monitoring and agile adaptation to evolving market conditions. For the time horizon to 2050 in a Low Carbon world – Disorderly transition, carbon prices will increase, however we deem the financial impact still not material at this stage. Although the range exceeds the materiality threshold in the context of climate-related risks, it is important to note that the upper end of the range arises in the Low Carbon world – Orderly transition, a scenario that we deem unlikely to happen.

How are we managing this risk?
We routinely look at ways to manage our procurement costs and offset price increases. Our sustainable procurement programme aims to better understand the carbon impact of purchased goods and services. As a key mitigation strategy, we engage with key material suppliers to understand their carbon reduction objectives and the activities they are undertaking to move to renewable energy and increase energy efficiency in their operations. Through supplier engagement, we expect to be able to partially mitigate the impact of carbon cost pass-through in the future. In our CSA, we calculated different potential mitigation scenarios, where the impact of carbon pricing would be constrained. While current exposure is low, it is expected that carbon costs will increase over the coming decade as more countries establish carbon prices. We continue to monitor developments.

What is our level of resilience to this risk?
We consider our level of resilience to the risk of carbon pricing over the short, medium and long term to be high. This is based on robust governance structure that includes Executive-level leadership in environmental sustainability and Board-level responsibility of the issue. Moreover, we have in place Group-wide targets and teams at the site level to identify and capitalise on relevant opportunities that emerge.

TCFD Disclosure
continued

	Financial impact – range across scenarios			
	2030: Short-term	2040: Medium-term	2050: Long-term	Climate scenario narratives used
Transition risks				
Impact of energy pricing Reflected as potential increase in procurement costs in assessed categories due to carbon fee, if unmitigated (not cumulative)	\$3m – \$12m	\$7m – \$19m	\$14m – \$25m	Low Carbon world – Orderly transition Low Carbon world – Disorderly transition High Carbon world

How did we calculate the potential financial impact of energy pricing?
We used the EcoAct Carbon and Energy Pricing Tool, which is informed by price projections from the EnerData EnerFuture database. Cost exposure is calculated based on projected energy prices, combined with Hikma's projected consumption of electricity and natural gas.

How would this risk affect operations and financial planning?
It is not certain that Hikma will face increasing energy costs over time, as governments have not pledged to implement policies directly intended to increase the cost of electricity and natural gas. However, limiting factors such as increasing energy demand because of population growth, technology and renewable energy investment, in combination with interrupted supply because of natural disasters, conflicts and limited metals may increase energy pricing in our value chain. The financial impact relates to the potential change in Hikma's energy cost from a 2022 baseline, reflecting an increase in energy cost for electricity and natural gas at our manufacturing sites and offices.

In both Low Carbon world scenarios, electricity prices rise through 2030 but tend to fall sharply afterwards, counterbalancing the impact of increased consumption. To further improve the modelling, transition to lower carbon energies should be included, as well as increased on-site generation capacity, which would reduce consumption and cost exposure.

How are we managing this risk?
Hikma is continuously evaluating opportunities to transition to renewable energy in each of our three regions (North America, Europe, MENA). Opportunities differ in potential, depending on the maturity of the markets that we operate in and the required financial investments. Where price increases might occur, Hikma may choose to accelerate site and country-specific adjustments to substitute natural gas for electricity and vice-versa, based on the relative price of available energy sources. Future modelling should account for this possibility.

What is our level of resilience to this risk?
We consider our level of resilience to the risk of energy pricing over the short, medium and long term to be high. This is based on robust governance structure that includes Executive-level leadership in environmental sustainability and Board-level responsibility of the issue. Moreover, we have in place Group-wide targets and teams at the site level to identify and capitalise on relevant opportunities that emerge.

	Financial impact – range across scenarios		
	2030: Short-term	2050: Long-term	Climate scenario narratives used
Physical risks			
Increased frequency of extreme weather events Reflected as potential event cost caused by extreme weather event (not cumulative)	No impact anticipated	\$25m (storms)	Low Carbon world – Disorderly transition High Carbon world

How did we calculate the potential financial impact of storms?
To calculate the potential financial impact of severe storms, we used data from the ThinkHazard database, the National Hurricane Centre and the National Oceanic and Atmospheric Administration portal to determine climate-related risk exposure baselines. A financial impact matrix was developed with degrees of asset and inventory loss or damage, and the length of operational shutdown was assumed based on the qualitative and quantitative narrative for each storm category in the Saffir-Simpson Hurricane Wind Scale.

How did we calculate the potential financial impact of floods?
Hikma sites and key supplier sites were screened for both pluvial and coastal flood risk using the Aqueduct Flood Hazard Maps. In addition, a 15 km radius around Hikma sites was screened for indirect pluvial flooding risk. Financial modelling was conducted using operational disruption and loss from inundation at facility.

How would this risk affect operations and financial planning?
Extreme weather events impacting our facilities might cause interrupted manufacturing or supply of key resources. They may impact national infrastructure and could lead to power outages, restrictions on access for supply chain and workforce leading to downtime, lost sales, fines and ultimately in the end reputational damage. Extreme weather events may also impact critical suppliers leading to downtime, lost sales, fines, and reputational damage. While no sites were identified with direct exposure to inundation risk, more research is needed to assess the indirect inundation risk.

We conducted an analysis of the financial impact of an extreme storm impacting a site in the US. Through this analysis, we concluded that the potential financial implications of physical risks under the worst-case scenario High Carbon world (for extreme weather events) are anticipated to remain minimal through at least 2030.

How are we managing this risk?
With the insights from our modelling and understanding that these risks are not significant to our sites at this stage, we will continue to engage with our operational facilities teams in the highest risk regions to ensure our business continuity and recovery processes are fit for purpose.

What is our level of resilience to this risk?
The findings of our LTVS analyses for extreme weather indicates that our broad geographical footprint provides us with a robust level of resilience towards extreme weather events in one location.

TCFD Disclosure
continued

	Financial impact – range across scenarios		
	2030: Short-term	2050: Long-term	Climate scenario narratives used
Physical risks			
Impact of water stress Reflected as potential water cost (cumulative)	\$8m – \$9m	\$17m – \$22m	Low Carbon world – Disorderly transition Low Carbon world – Orderly transition High Carbon world

How did we calculate the potential financial impact of water stress?
We looked at the potential future cost of water and potential EBIT loss due to production downtime as a result of water rationing. Total future water costs in our CSA consist of municipal water supply costs and water tanker costs (including fuel price projections). We assumed that the cost of municipal and tanker water change proportionally to water stress and a production site's water consumption will increase proportionally to the growth rate. At the same time, the number of days with a lack of access to water supply increases proportionally to the degree of water stress and the site's water storage mitigation. All total costs are based off future water consumption projected using the Hikma production growth rate.

How would this risk affect operations and financial planning?
Given that water is used for cleaning in our manufacturing processes, we consider water stress a risk. Water stress is likely to increase in the future due to increases in demands for water from growing populations and industry and from a decrease in fresh water supply due to climate change. Shortage and potential rationing of water could potentially lead to disrupted operations and could financially impact Hikma both through increased cost of water supply and from loss of EBIT from production downtime. Only direct and tangible financial impacts have been assessed in the 2023 and 2024 CSAs. Other consequences such as impacts on the workforce, increased political unrest or conflict, and impacts to third parties have not been assessed, but Hikma acknowledges them. Our CSA initially focused on four countries (Jordan, Saudi Arabia, Algeria and Egypt) in 2023, and expanded its focus to include Columbus (OH, USA), Morocco, Portugal and Tunisia. This ensured that all countries that we determined as water stressed are included in our analysis (Algeria, Egypt, Jordan, Morocco, Saudi Arabia and Tunisia). The analyses show that Hikma faces potential water stress in both baseline and future projection scenarios, resulting in increased water costs and potential loss of EBIT due to production downtime. At this stage, impact figures are not currently material and are partially mitigated by storage capacity.

How are we managing this risk?
To mitigate the risk of water shortage, we hold onsite storage capacity. Other mitigation actions include implementing water reduction and saving initiatives on site. Our executive remuneration and long-term incentive goals steer us towards achieving good water management at all Hikma's sites in MENA (where water stress is most apparent) by establishing water management systems, processes and targets, and implementing opportunities for efficient water use. More information on metrics linked to Executive Remuneration can be found at 116.

What is our level of resilience to this risk?
We consider our organisation to have a high level of resilience on this issue due to our robust governance of environmental sustainability, our management of water-related issues at the global, regional and site levels and our focus on water-related goals and targets to drive more efficient consumption in water-scarce regions.

	Financial impact – range across scenarios			
	2030: Short-term	2040: Medium-term	2050: Long-term	Climate scenario narratives used
Energy cost opportunity				
Impact of pursuing renewable energy (RE) solutions Reflected as the potential financial benefit for Hikma to generate its electricity through onsite RE generation and RE-based Power Purchasing Agreements (PPAs). (cumulative)	\$85m – \$109m	\$176m – \$213m	\$244m – \$267m	Low Carbon world – Disorderly transition Low Carbon world – Orderly transition High Carbon world

How did we calculate the potential financial impact of pursuing RE solutions?
The analysis focused on answering the question: "What would be the financial benefit for Hikma to pursue RE solutions through onsite electricity generation, as opposed to continuing to purchase electricity from the grid?" To answer this question, we compared the cost of onsite renewable energy generation with the projected cost of electricity under different scenarios. We conducted a comparative analysis using scenario-specific energy consumption and cost data from previous carbon and energy pricing analyses for 24 sites, including only sites with over one GWh of annual consumption. These figures were compared with a technology-specific Levelised Cost of Electricity (LCOE),[1] for developing solar and wind (onshore and offshore) capacity across the countries of the 24 prioritised sites. The difference indicates the potential cost savings in three scenarios across short-, medium- and long-term. The figures represent estimates based on desktop research that utilised various assumptions to generate estimated savings over the relevant time horizons.

How would this opportunity affect operations and financial planning?
Given that the majority of our energy consumption is sourced from electricity, given our previous analyses on carbon and energy pricing, we consider the development of onsite RE capacity to be an opportunity. This analysis indicates that onsite solar generation has the largest savings potential. To date, we have onsite solar capacity in Jordan, KSA and Portugal; and are installing solar capacity in our Cherry Hill facility in the US.

How are we managing this opportunity?
We are continuously assessing the feasibility of developing or expanding onsite RE capacity at our sites. In 2024, we expanded solar generation in our Salt facility which also provides our MENA Head Office in Amman with green electricity through wheeling.[2] We also installed solar generation in the Kingdom of Saudi Arabia (KSA) and Morocco and are exploring the installation of onsite solar generation in other locations in 2025. For more details on the actions we have taken and are taking to increase renewable energy consumption and generation, please see the Protecting the environment section on page 56.

Resilience of our strategy
The results of our CSA show that climate change is not expected to have a material impact on the Group's strategy or financial viability for the time horizon to 2030. Our CSA, longer-term viability statement and impairment tests are aligned through common scenario inputs. We will continue to strengthen our monitoring metrics and understand where we need to improve our mitigation controls.

Our model inputs in the CSA do not include mitigating actions on the part of Hikma, our suppliers, or governments, for example, and cover time horizons well beyond our current business planning. We recognise that climate-related risks and opportunities will continue to develop over a significantly longer period and believe that we will be able to adapt our strategy and respond appropriately to emerging climate-related risks and opportunities that could have a material impact on the Group in the future. Where we identify any areas for improvement, we will build clear action plans and ownership to address these gaps and ensure our long-term resilience.

TCFD Disclosure
continued

Metrics and targets

As we continue to grow, we remain dedicated to minimising our environmental footprint. We are actively measuring and managing our energy and water consumption and are regularly reviewing opportunities to improve efficiency. We acknowledge the environmental impact of manufacturing and delivering medicines and are committed to the efficient and responsible management of energy, water, and waste within our organisation and throughout our value chain. To sustain our success, it is crucial that we manage resources responsibly and consider the long-term environmental impacts in the places where we do business.

Metrics to assess climate-related risks and opportunities
We monitor our Scope 1, Scope 2 and material Scope 3 emissions, as well as metrics related to the consumption of energy. This data is included in the Sustainability section (page 56). We will continue to develop our methodology for calculating our Scope 3 emissions categories that are relevant but not yet calculated. The development of onsite RE capacity presents an opportunity for our business and we monitor the percentage of RE-sourced energy, both onsite and purchased. In addition, as part of the 'Reputation' principal risk (see page 84), we monitor our performance against external ESG ratings.

Executive remuneration
We have adopted carbon and water-related targets as part of management's Long-Term Incentive Plan. More details can be found in the Governance section on page 101.

The table below indicates the metrics we have in place that are linked to our climate-related risks and improve our understanding of the impacts of these risks. More details on the progress against our targets is available in the Sustainability section.

Transition risks	Targets	Relevant metrics
Impact of carbon pricing	Reduce Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline See page 56 for more information on our 2030 target and progress achieved to date Our 2026 target is to revise long-term carbon reduction targets and implement key renewable energy projects Scope 3 target not set	– Absolute emissions Scope 1, 2 (Location-based and market-based) – Emissions intensity (revenue and employee headcount) Scope 1, 2 (Location-based and market-based) – Absolute emissions Scope 3 in category 1 (purchased goods and services) and category 4 (upstream transportation)
Impact of energy pricing	No target set	– Absolute energy consumption – Energy consumption mix – Percentage renewable energy generated/purchased

Physical risks	Targets	Relevant metrics
Increased frequency of extreme weather events	No target set	– Proportion of facilities in an area subject to flooding or storms – Number of sites with business continuity plans that cover impact of severe weather events
Impact of water stress	Achieve good water management at Hikma's MENA sites Our 2028 target is to deliver key aspects of the ISO 46001 Water Efficiency Management System in the MENA region See page 56 for more information on our target and progress achieved to date	– Change in m^3 water withdrawal – Change in m^3 water consumption in countries with high water stress – Change in m^3 water discharge – Change in m^3 water treatment – Progress of water efficiency measures – Water consumption intensity

Opportunities	Targets	Relevant metrics
Energy cost opportunity	No target set	– Cost of standard electricity and fuels – Cost of renewable solutions

We are committed to continuously evaluating our environmental impacts and to implementing mitigations and capitalising on opportunities. In 2025, we will continue to enhance and refine the metrics we use to monitor risks and opportunities and expand the robustness of our analyses.

Risk management

Risk management

In 2024, we improved our risk assessments and responses through increased cross-functional reviews.

Risk management framework

Risk context
Our purpose is to put better health within reach, every day for healthcare professionals and their patients. We bring patients across North America, MENA and Europe a broad range of generic, specialty and branded pharmaceutical products.

The future is uncertain and carries risks for our business. These risks may be threats or opportunities related to our strategy and delivery of our goals, our activities and processes, the expectations of our stakeholders, or our key relationships and dependencies.

Find out more about the internal and external context for risk management for the Group in the 'Our strategy' (pages 8–9), 'Our business model' (pages 12–13) and 'Our markets' (pages 20–21) sections of this report.

Risk strategy
Effective management of risk is fundamental for the long-term success of the Group. We operate an Enterprise Risk Management (ERM) framework to ensure that we are comprehensive and structured in our approach. The framework enables a thorough view of our risk exposure to be developed, which informs our decision-making and improves our strategic, tactical, operational and compliance processes. The approach enables us to fulfil our obligations and provides assurance that our activities are appropriately controlled.

Risk appetite
The Board determines the nature and extent of the principal risks it is willing to take and communicates this through the Group risk appetite. The risk appetite outlines expected management strategies and details limits and tolerances on risk exposure for each of the principal risks. It forms the foundation of the ERM framework and guides management decision-making across the Group. The risk appetite is reviewed twice a year at Board level and is monitored by management on an ongoing basis.

Risk governance
The Board has overall accountability for the Group's approach to risk management and internal control. The Audit Committee oversees risk management and internal control activities with delegated authority from the Board.

The Audit Committee reviews the material risks facing the Group, considering different sources of assurance, including executive management, internal audit, and external audit. The Chair of the Audit Committee is a standing member of the Compliance, Responsibility and Ethics Committee (CREC) to ensure connection between the Board Committees with primary risk oversight responsibilities.[1]

Internal audit provides independent assurance of the Group's internal control environment. For more details on our internal audit approach see page 113.

The Group risk management function enables and drives effective risk management practices, guides global risk owners in assessing and reporting their risks, coordinates emerging risk assessments, and establishes connections and partnerships across the organisation to promote and develop a responsible risk culture.

Compliance and internal control functions with professional expertise in managing risk and internal control in specialist areas are in place across the organisation.

The CEO and Executive Committee have direct ownership of risk management for the Group. Risk management accountability is fully embedded within their executive responsibilities.

As part of the risk governance framework, Executive Committee and Leadership Council members, and other senior executives are assigned responsibility for specific principal risks. Together, they coordinate risk management activities across the organisation to manage risk exposure in line with the risk appetite.

1. Full committee terms of reference are available on **www.hikma.com**

Risk management and internal control across the organisation

Complementary management units perform and provide assurance over risk management and internal control through standards, accountability and oversight. Independent and external assessments are additional sources of information for management.

Front-line management	Compliance and internal control	Executive accountability	Independent assurance	Board oversight
Operational activity	Corporate Compliance	Executive Committee	Internal audit	Board of Directors
	Quality Compliance			
Management reviews	Group Risk Office	Global risk owners	External assessments	Audit Committee
	Internal controls and assurance			
	Other compliance teams	External advisers	External audit	Compliance, Responsibility and Ethics Committee

Risk management activities

Risk management activities occur at all levels of the organisation. The ERM framework provides structure for these activities to ensure consistency of approach, alignment to the risk appetite and monitoring of our risk exposure across the Group.

The Group risk management function coordinates regular risk assessments to review management of risks we already know about, and to identify, analyse and evaluate new and emerging risks. These assessments are consolidated through the Group risk management function and reported to the Executive Committee by the global risk owners.

Compliance and internal control functions, and internal audit, also conduct regular formalised risk assessments in relation to their mandates.

Summarised reports and key outcomes of risk assessments are reviewed by management teams, the Audit Committee and Board.

In addition to these core reporting processes, various other risk management activities occurred during the year.

Risk management in practice
Our ability to effectively manage risk enables delivery of our objectives. To ensure we are action-oriented in managing threats and opportunities we categorise our risks considering significance of exposure and the opportunity for management action.

An example of risk management in practice is seen in the case study on the next page.

Strategic risks
Group-level strategic risk assessments are conducted by the Executive Committee and Board of Directors. A formal review is conducted on an annual basis to consider threats and opportunities related to our strategy from internal and external perspectives and over various time horizons.

Emerging risks
Emerging risks are those that are newly identified and have the potential to become significant risks for the Group, those that may already be well known but are rapidly changing, or those that are developing over a longer term that may have significant impact on our ability to achieve our objectives.

Often driven by forces outside our control, emerging risks may be mitigated by existing control frameworks but are assessed to determine if any aspects fall outside current processes or if the controls in place may become inadequate as the risk develops.

Our approach involves establishing cross-functional teams to assess the threats and opportunities, recognising these may develop over an extended timeframe. The risk assessment methods deployed vary and may involve engaging with external experts, scenario modelling, engagement with existing risk mitigation programmes, and development of new risk mitigation and control strategies that will be sustainable over the longer term.

We scan for emerging risks in a wide array of domains, including economics and geopolitics, social and demographic, technology, legal and regulatory, environment and sustainability, global and local workforce, and business and competitive environment. We focus our emerging risk assessments and monitoring according to likelihood, impact and velocity.

Examples of emerging risks that are monitored include geopolitical instability in the Middle East, development of generative artificial intelligence, uncertainty related to global trade policies, and physical and transitional climate change-related risks and opportunities.

Double materiality assessment
This year, we conducted a double materiality assessment (DMA) to identify and prioritise the sustainability topics most relevant to our business. The assessment results highlighted several material topics, with the most significant being Product Quality and Patient Safety and Access to Medicines, (see page 48).

These and the other material topics identified are monitored and managed under relevant principal risks, ensuring they are integrated into our risk management framework and decision-making processes.

Internal control activities
Compliance and internal control functions across the Group develop and manage internal control systems, frameworks and processes for their areas of focus as part of risk mitigation strategies, to meet internal and external expectations, and to ensure compliance with regulatory requirements.

In 2024, we evaluated our internal control framework in preparation for the updated UK Corporate Governance Code 2024 (the 2024 Code) Provision 29 requirements for a declaration of effectiveness of the material controls at 31 December 2026.

Through this evaluation, material risks and internal controls have been mapped. The programme will continue to enhance controls in relevant frameworks and launch training on best practices for formal controls.

Priorities for 2025
In 2025 we will continue to develop connections and partnerships between compliance and internal control functions, and external groups to bring greater assurance for the Group.

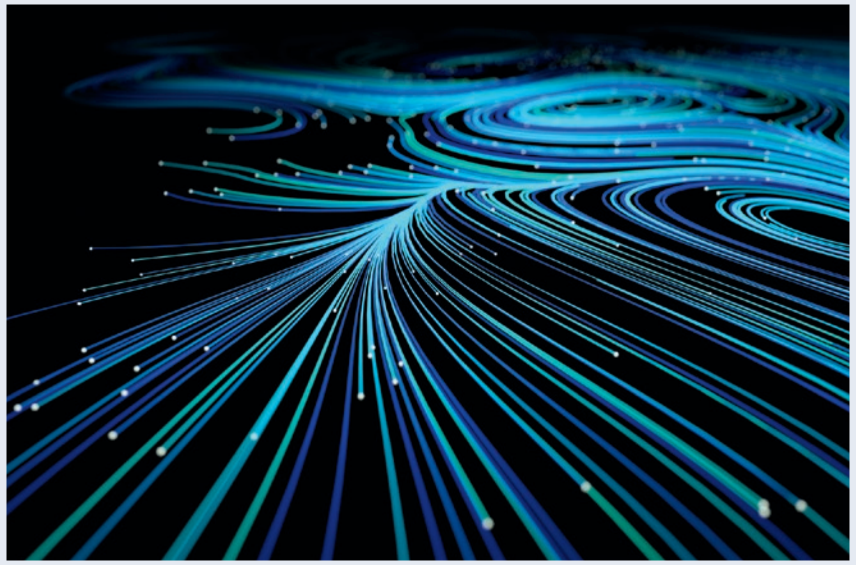
We will continue to prepare and adapt to the 2024 Code.

We will further develop sustainability and climate-related risk assessments alongside existing and upcoming regulations, see the 'Sustainability reporting readiness' section on page 49 for more details.

Risk management
continued

Case study: Artificial intelligence (AI) and Hikma

In 2024, we embraced the transformative potential of artificial intelligence (AI) (and machine learning (ML)) technologies to drive automation, innovation, and efficiency.



AI oversight

Recognising the importance of responsible and ethical deployment, we established an AI Advisory Board (AIAB) to ensure that we leverage AI responsibly to drive excellence and improve efficiencies across the business, helping us deliver on our purpose of putting better health within reach, every day.

With a focus on exploration, education, and governance, the AIAB has set out principles related to data privacy, accountability, explainability, transparency, fairness, bias detection, security, safety, validity, and reliability.

Policy, governance and risk management frameworks have been developed and integrated with our approach to using AI.

AI initiatives

Exploration: deployment of AI tools for controlled uses; encouraging engagement through internal innovation competition to identify opportunities and use cases.

Education: training made available for all employees to support understanding and use of AI tools; engagement with relevant functions on AI-related threats and opportunities.

Governance: issued AI guidelines to all employees; conducting risk assessments for AI suppliers; ongoing monitoring of regulatory and legal developments. Through these initiatives, Hikma is committed to harnessing AI's potential while ensuring ethical and effective implementation.

Principal risks and uncertainties

The Group faces risks from a range of sources that could have a material impact on our financial commitments and ability to trade in the future.

The Board performs robust assessments of strategic, operating and emerging risks for the Group, considering our risk context, and input from executive management.

In 2024, as a result of the conflict in the Middle East, Hikma supported our people in Lebanon and closely monitored impacts on increased shipping costs and lead times. The situation is managed to the degree possible by local, regional and group management teams across multiple principal risk areas, overseen by the Executive Committee and Board.

The Board determined that the principal risks facing the Group have not materially changed over the year and that there are no new principal risks to be added.

The set of principal risks should not be considered as an exhaustive list of all the risks the Group faces. Certain risk factors are outside the control of management.

The Board recognises that the principal risks are dynamic and that management of these risks must be continuous as the risk environment changes. The Board is satisfied that the principal risks are being managed appropriately and consistently within the target risk appetite.

Effectively managing these risks is directly linked to the performance of our strategic KPIs (see pages 18–19) and the delivery of the strategic priorities outlined on pages 8–9.

The principal risks are set out below with examples of management actions that help to control the risk; the actions described do not include all actions taken by management.

Industry dynamics

Risk description	Management actions
The commercial viability of the industry and business model we operate may change significantly as a result of geopolitical events, macroeconomic factors, local political action, societal pressures, regulatory interventions or changes to participants in the value chain of the industry.	– Signed significant new long-term manufacturing agreement in Generics segment – Acquired Xellia commercial capabilities, product portfolio and manufacturing facility, including aseptic premix bag filling capabilities – Expanded commercial presence in new markets in Europe – Completed construction phase of new manufacturing plants in Morocco, Algeria and Tunisia to enhance production capacity – Grew commercial presence in MENA markets through targeted business development initiatives – Continued local investment in line with localisation requirements – Increased focus on developing consumer healthcare business for MENA – Improved access to diabetes treatments and strengthened leading position in oncology

Product pipeline

Risk description	Management actions
Selecting, developing and registering new products that meet market needs and regulations, aligned with Hikma's strategy to provide a continuous source of future growth.	– Launched liraglutide injection in the US, the first approved generic GLP-1 referencing Victoza® – Launched first specialty injectable product in the US, Combogesic – Acquired and integrated Xellia R&D pipeline assets and R&D Centre in Zagreb, and with acquired manufacturing capability, opened up opportunity to introduce pipeline projects that require aseptic bag line technology – Strengthened management across R&D teams – Established in-house extractables and leachables risk mitigation capability – Signed business development deals to bolster MENA pipeline and increase patient access to needed treatments – Acquired the rights to Takeda brands currently licensed to Hikma for MENA with production to move in-house, ensuring continuity of supply

People

Risk description	Management actions
Developing, maintaining and adapting organisational structures, management processes and controls, and talent attraction and retention to enable effective delivery by the business in the face of rapid and constant internal and external change.	– Took actions at site, function, and team levels to address areas of improvement identified in the People Voice Survey, see page 26 – Developed plans to address high turnover rates in specific countries and functions – Development of a new grade structure, wellbeing programmes, new recognition programmes – Established a specialist department to promote our culture, drive engagement and ensure supportive environments for all our people – Implemented training programmes and leadership development initiatives to build local expertise and improve employee retention – Enhanced succession planning programme for senior roles – Optimised the MENA operating model for central functions and local sites

Risk management
continued

Reputation

Risk description	Management actions
Building and maintaining trusted relationships with our stakeholders relies on developing and sustaining our reputation as one of our most valuable assets.	– Completed double materiality assessment (DMA) (see page 48) – Engaged on a regular basis with investors and analysts, including the attendance of conferences, hosting meetings with management and investor relations, including site visit to manufacturing facility in Casablanca, Morocco – Continued to build strong relationships with current and potential future CMO partners – Internal and external monitoring and management of issues that may impact reputation – Focused our editorial delivery to communicate our progress against our business strategy and acting responsibility framework, leveraging our digital communication channels to engage external and internal stakeholders

Ethics and compliance

Risk description	Management actions
Maintaining a culture underpinned by ethical decision-making, with appropriate internal controls to ensure staff and third parties comply with our Code of Conduct, associated policies and procedures, as well as all applicable legislation.	– Updated and refreshed various Corporate and local Compliance policies and procedures, including ABC, Conflict of interest, Gifts, Hospitality and Entertainment – Collaborated with Legal and Procurement to implement enhanced due diligence processes for modern slavery risk assessment – Continued participation in international anti-corruption initiatives, including the Partnering Against Corruption Initiative (PACI) – Continued review of the effectiveness of our compliance programmes and alignment to international best practice expectations, including areas of anti-bribery and whistleblowing management

Information and cyber security, technology and infrastructure

Risk description	Management actions
Ensuring the integrity, confidentiality, availability and resilience of data, securing information stored and/or processed internally or externally from cyber and non-cyber threats, maintaining and developing technology systems that enable business processes, and ensuring infrastructure supports the organisation effectively.	– Monitored opportunities and threats related to artificial intelligence (AI) and machine learning (ML) systems through AI Advisory Board – Updated disaster recovery runbooks for strategic assets – Partnered with legal to review and establish controls to ensure compliance with Data Privacy Legislation in relevant MENA markets – Partnered with Saudi FDA to ensure serialisation compliance and integration with agency systems – Enhanced Cyber Security Operations capabilities – Automated third-party cyber-risk assessments into the procurement process on the Ivalua platform. This ensures consistent and efficient evaluation of cybersecurity risks associated with new and existing suppliers – Completed external assessment of information security maturity aligned to the industry-standard NIST cybersecurity framework and the CMMI maturity model – Maintained alignment with ISO 27001 standards

Legal, regulatory and intellectual property

Risk description	Management actions
Complying with laws and regulations, and advising on their application. Managing litigation, governmental investigations, sanctions, contractual terms and conditions and adapting to their changes while preserving shareholder value, business integrity and reputation.	– Established an AI Advisory Board with other departments to oversee the development, deployment, and impact of artificial intelligence technologies on the Group's operations, see page 82 – Continuous monitoring and assessment of developments in global legal and regulatory landscape and potential impacts on the Group – Worked on finalising the in principle settlement for the vast majority of opioid-related lawsuits and defending remaining lawsuits in North America, see page 172 – Monitored and managed litigation activity in the US, including various anti-trust matters, see page 198 – Continued to implement comprehensive data privacy and security measures to protect sensitive information and comply with data protection regulations, including in MENA markets – Continued to secure, maintain, and enforce patents and other intellectual property where appropriate to protect the Group's proprietary assets – Strengthened corporate governance practices to ensure transparency, accountability, and ethical conduct within the organisation – Provided legal support and oversight for successful acquisitions and other strategic transactions, ensuring they are completed smoothly and in compliance with all legal requirements – Conducted regular training sessions for employees on legal and compliance matters to foster a culture of awareness and adherence to legal standards

Inorganic growth

Risk description	Management actions
Identifying, accurately pricing and realising expected benefits from acquisitions or divestments, licensing, or other business development activities.	– Maintained a healthy pipeline of opportunities to achieve Hikma growth strategy – Extensive due diligence of each acquisition in partnership with external support in order to strategically identify, value, and execute transactions – Extensive Board engagement to review major acquisitions proposed by the Executive Committee to ensure strategic alignment – Post-acquisition performance (financial and non-financial) monitored closely to ensure integration and delivery on business plan – Post-transaction reviews highlighted opportunities to improve effectiveness of processes – Continue to grow our pipeline through business development (BD) and enhance the effectiveness of BD teams by adding additional resources – Closed the acquisition of Xellia Pharmaceuticals' US finished dosage form (FDF) business and related assets and began integration – Acquired the rights to a portfolio of Takeda brands for the MENA region, enhancing product offerings in key therapeutic areas

Active pharmaceutical ingredient (API) and third-party risk management

Risk description	Management actions
Maintaining availability of supply, quality and competitiveness of API purchases and ensuring proper understanding and control of third-party risks.	– Maintained rigorous selection and qualification process for new API suppliers – Continued to secure API supply continuity through qualification of alternate sources (internal or external) and stocking strategies – Proactively managed inventory levels to avoid disruptions in supply chain and mitigate impact from inflation and global trade uncertainty (eg strategic buy, increased inventory level) – Continuous focus on building long-term supply contracts and strategic partnerships – Enhanced automated due diligence screening process for onboarding and continuous monitoring of third parties, including modern slavery, politically exposed persons, sanctions and other risk areas – Embedded and continued to expand programme assessing the sustainability performance of our suppliers

Risk management
continued

Crisis and continuity management

Risk description	Management actions
Developing, maintaining and adapting capabilities and processes to anticipate, prepare for, respond and adapt to sudden disruptions and gradual change, including natural catastrophe, economic turmoil, cyber events, operational issues, pandemic, political crisis, and regulatory intervention.	– Responded to disruptive events with values-led decision-making, prioritising the protection of the health and safety of our employees and patients, including situation in Lebanon – Enhanced recovery plans for disruptions to IT applications – Closely monitoring developments in the Middle East and assessing potential impact on our people and business – Continued to embed our integrated crisis and continuity management (CCM) programme – Reviewed and refreshed business impact analyses and business continuity plans for all manufacturing sites, incorporating assessments of climate change-related threats – Coordinated IT Continuity and Disaster Recovery assessments at all manufacturing sites and key IT locations – Reviewed and upgraded site emergency response arrangements and capabilities across our facilities – Delivered instructor-led training to employees across the organisation to develop our resilience capability

Product quality and safety

Risk description	Management actions
Maintaining compliance with current Good Practices for Manufacturing (cGMP), Laboratory (cGLP), Clinical (cGCP), Compounding (cGCP), Distribution (cGDP) and Pharmacovigilance (cGVP) by staff, and ensuring compliance is maintained by all relevant third parties involved in these processes.	– Hikma Quality Council provides oversight and shares best practice across the Group – Quality and safety culture driven throughout the organisation by global initiatives and regularly reinforced by communication from senior executives – Continuous monitoring and assessment of potential contaminants in drug products (eg nitrosamines, penicillins, non-penicillin beta-lactams, monobactams) – Facilities maintained as inspection-ready for assessment by relevant regulators – Ongoing oversight of cGMP compliance of third parties supplying finished goods, APIs, raw materials, packaging components and other GMP services – Continuous monitoring of quality critical incidents and activities through Notification to Management process implemented across the Group – Continuous monitoring of the safety of products to detect any change to risk-benefit balance through the global pharmacovigilance system – Continued to provide governance through cross-functional Drug Safety Committee and PV Quality Committee – Initiated integration of the acquired Xellia R&D into our quality systems – Overseeing upgrades to the acquired Xellia manufacturing facility to incorporate automation in our manufacturing processes

Financial control and reporting

Risk description	Management actions
Effectively managing income, expenditure, assets and liabilities, liquidity, exchange rates, tax uncertainty, debtor and associated activities, and reporting accurately, in a timely manner and in compliance with statutory requirements and accounting standards.	– Managed financial and business challenges related to foreign exchange and access to USD in adverse conditions in Egypt – Completed formal competitive tender for external audit services – Embedded enhanced enterprise-wide fraud prevention and detection programme – Implemented enhanced processes and controls to manage rebates and ensure compliance – Aligned reporting on minimum standard set of controls for finance and related processes to enable disclosure against Provision 29 of the 2024 Code, see page 112

Going concern and longer-term viability

In accordance with the UK Corporate Governance Code 2018 Provisions 30–31 and other regulatory disclosure requirements, going concern and longer-term viability assessments are provided.

Assessment of position and prospects
The Group's current and forecast financial positions are used to assess the going concern position and longer-term viability.

The position and prospects of the Group are assessed at Executive Committee meetings and at the end of the financial year. The assessments consider strategic and operational updates, principal and emerging risks, financial reporting and forecasting from the Chief Financial Officer, and through the development of a business plan. The business plan takes into account our current position, specific risks and uncertainties facing the business and known changes to our organisation and business model.

The Executive Committee assesses the future strategic positioning of Hikma as a company in the context of the changing business environment. Aspects of this analysis are shown in 'Our markets' (see pages 20–21).

These various assessments are presented to the Audit Committee and Board of Directors for independent scrutiny of management's assumptions and modelling approach. The Board also receives regular updates on operational, strategic and financial matters from executives.

Financial position
The financial position of the Group as at 31 December 2024 was:

- net cash flow from operating activities was $564 million
- overall net debt was $1,118 million (1.4 times core EBITDA)
- available borrowing capacity is $924 million of committed undrawn long-term facilities (see Note 29 of the Group consolidated financial statements on page 195). These facilities are well-diversified across the subsidiaries of the Group and are with a number of financial institutions

> **Severe but plausible downside risk scenarios are used to test the viability of the Group."**

Covenants on major financial debt arrangements are suspended while the Group retains its investment grade status from two rating agencies. As of 31 December 2024 the Group's investment grade rating was affirmed by S&P and Fitch.

Future prospects
The Group's base case forecasts take into account reasonably possible changes in trading performance, including those that may arise related to various inflationary effects, currency volatility, facility renewal sensitivities, and maturities of long-term debt.

Assumptions
Financial modelling for the business plan and the going concern and viability assessments is subject to assumptions related to:

- launch and commercialisation of new products
- market share and product demand rates
- maintenance of certain product prices
- political and social stability
- ability to increase operational efficiency and reduce central costs
- effective tax rate being within the current guidance range
- ability to refinance existing debt upon maturity (for longer-term viability)

Going concern

For the purposes of assessing the going concern position, the base case and a forecast including severe but plausible downside risks were analysed over a period longer than 12 months from the date of signing the financial statements.

The analysis shows that Hikma is well placed to manage its business and financial risks successfully despite current uncertainties and confirms that the going concern basis should be used in preparing the financial statements.

The Directors reviewed and challenged management's forecasts, downside assumptions and mitigation strategies, and believe that the Group is adequately placed to manage its business and financing risks successfully.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period longer than 12 months from the date of signing the financial statements and therefore continue to adopt the going concern basis in preparing the financial statements, with no material uncertainties.

Longer-term viability

Viability period
The longer-term viability of the Group is assessed for a period longer than for the going concern analysis.

The Directors determined that a three-year period, ending on 31 December 2027, constitutes an appropriate period over which to provide its viability statement.

This is the timeframe for acquisitions and business development opportunities to become integrated into the business, and for pipeline products to contribute as marketed products. Forecasts are more accurate in the near term than in the long term and this limitation also applies to our viability assessments.

Stress testing, modelling and sensitivity analysis
Management developed severe but plausible risk scenarios that could impact the business adversely.

The Group's strategic objectives, principal risks (PR), assessments of longer-term emerging risks (ER), management input, real-world examples and the financial modelling assumptions listed above were used to design the scenarios. Realistic but extremely severe adjustments were further applied for sensitivity analysis.

The following hypothetical severe but plausible risk scenarios were reviewed and assessed.

Longer-term viability scenarios
- **Scenario 1:** Industry dynamics (PR): Potential significant levels of price erosion over and above business plan assumptions
- **Scenario 2:** Product pipeline (PR): Potential significant and extensive delays to strategic product launches
- **Scenario 3:** Ethics and compliance (PR): The implications of a systemic failure of the corporate compliance programme leading to a regulator investigation were explored, including reputational impact, fines and legal fees, loss of sales, remediation expenses, and additional compliance costs
- **Scenario 4:** Product quality and safety (PR): A prolonged regulator-imposed restriction of a major US FDA-inspected manufacturing site was modelled, factoring in loss of sales and remediation expenses, as well as a reduction to operating costs
- **Scenario 5:** Crisis and continuity management (PR): Escalation and development of situations of political and social instability in MENA markets were assessed with loss of sales recognised
- **Scenario 6:** API and third-party risk management (PR): Significant disruptions to our raw and packaging materials supply chain were modelled
- **Scenario 7:** Climate change (ER): Disruption as a result of extreme weather events was assessed with impacts on certain facilities including property damage and business interruption (see also our disclosures related to climate change on pages 62–77)
- **Scenario 8:** Information and cyber security, technology and infrastructure (PR): Impacts of a ransomware attack affecting endpoints and ERP systems were modelled with potential loss of sales, general business interruption, and response and remediation costs
- **Scenario 9**: Legal, regulatory and intellectual property (PR): Potential for financial loss as a result of ongoing legal proceedings, see pages 198-199

Longer-term viability analysis
The consequences of each of these severe but plausible risk scenarios were modelled over the forecast period and the impacts on EBITDA, ability to meet our debt obligations, and cash flow were determined. Combinations of these scenarios occurring were also assessed for this exercise.

The analysis shows that although the scenarios are severe, they do not threaten the viability of Hikma. Headroom was comfortably maintained throughout the viability period for each of the risk scenarios and scenario combinations.

The analysis did not rely on management actions that could be taken in the circumstances to reduce the impact and consequences of the risk events. Such actions, the ongoing implementation of the Enterprise Risk Management (ERM) programme and other risk mitigation initiatives, and investment in infrastructure and change initiatives are anticipated to continue to enhance organisational resilience and support longer-term viability.

The outcome of these various quantitative and qualitative assessments leads management to believe that Hikma is resilient to downside risk scenarios over the three-year period. This is largely as a result of our financial position (in particular our strong balance sheet and low levels of debt) and is supported by the fact that our business is well diversified through geographic spread, product diversity, and large customer and supplier bases. Further details are provided in the 'Our strategy' (pages 8–9), 'Our business model' (pages 12–13), and 'Our markets' (pages 20–21) sections of this report.

The Directors reviewed and challenged management's longer-term viability analysis and confirm that they have a reasonable expectation that Hikma will be able to continue in operation and meet its liabilities as they fall due and over the viability period.

"Our assessments show that Hikma is resilient to downside risk scenarios."

Non-financial and sustainability information statement

The table below summarises our position on matters relevant to the Non-Financial Reporting Directive, in line with the requirements of sections 414CA and 414CB of the Companies Act 2006. All references made are to publicly accessible information.

	Summary	Further information and policies
Our business model	– Our diversified business model allows us to respond to the many opportunities and risks we face, while delivering value for our stakeholders	– Our business model, pages 12–13
Principal risks	– Our risk management framework is designed to ensure we take a comprehensive view of risk. This includes financial and non-financial risks that may impact our business and stakeholders	– Risk management, pages 80–86
Environmental matters	– We are committed to making our operations more energy efficient and environmentally responsible – We continue to improve the way we monitor our impacts, pursuing projects that reduce our environmental footprint – We have put in place a target to reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline – We are aligning our internal processes and our public disclosures are consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations – We are aligned with the disclosure requirements of Climate Related Financial Disclosures (CFD) as articulated in the Companies Act – Board-level oversight of environmental sustainability – Environmental matters are incorporated in our risk management framework – We promote environmental sustainability in our supply chain	– Protecting the environment, pages 56–59 – TCFD, pages 62-77 – Supplier Code of Conduct[1]
Employees	– Our employees have always been at the heart of everything we do. As the driving force behind Hikma's growth and success, our people are our most valuable asset – We are committed to investing in the development of our workforce and in protecting their health and safety. We have 9,500 employees across North America, MENA, Europe and ROW	– Stakeholder engagement: employees, page 26 – Empowering our people, pages 54–55 – Code of Conduct[1] – Upholding ethical standards and acting with integrity, pages 60–61 – Group Environmental, Health and Safety Policy Statement[1] – Principal risk: People, page 83

1. Our public policies, codes and statements are available on **www.hikma.com**

	Summary	Further information and policies

Social matters	– In all of our markets, we work to meet social needs locally and improve lives. We have developed programmes in key areas to address social challenges:
	  – providing better health
	  – supporting education
	  – helping people in need
	– Where our activities relate to other social matters, we seek to understand the perspective of all stakeholders, determine our role and make clear our position based on our values and purpose
		– Stakeholder engagement, pages 24–29
		– Advancing health and wellbeing, pages 50–53
		– Product quality and safety, page 61
		– Addressing drug shortages in the US[1]
		– Animal testing position[1]
		– Principal risk: Reputation, page 84
		– Access to medicines, pages 50-51
		– Tax strategy statement[1]

Respect for human rights	– We respect and uphold the principles of the Universal Declaration of Human Rights both within Hikma and across our value chain – We object in the strongest possible terms to the use of any of our products for the purpose of capital punishment	– Upholding ethical standards and acting with integrity, pages 60–61 – Code of Conduct[1] – Supplier Code of Conduct[1] – Modern slavery act policy statement[1] – Use of products in capital punishment[1] – Principal risk: Reputation, page 84
Anti-bribery and corruption	– Our Compliance, Responsibility and Ethics Committee leads our efforts to strengthen anti-bribery and corruption policies and manage associated risks – As a publicly-listed company on the London Stock Exchange, we abide by the regulations of the UK Listing Authority. We operate in compliance with the UK Bribery Act 2010, the Foreign Corrupt Practices Act as well as local laws and regulations	– Upholding ethical standards and acting with integrity, pages 60–61 – Code of Conduct[1] – Supplier Code of Conduct[1] – Speak up channels[1] – Principal risk: Ethics and compliance, page 84 – Compliance, Responsibility and Ethics Committee report, pages 114–115
Non-financial KPIs	– We monitor the position, performance and impact of Hikma across a wide range of financial and non-financial KPIs. Non-financial KPIs are used to measure progress towards our strategic priorities (pages 18–19), our exposure to risks (pages 82-86), and are in place in other areas throughout the organisation as part of Hikma's long-term sustainable growth strategy and our commitment to helping people and improving the communities in which we operate	– GHG emissions reduction target, page 56 – Protecting the environment, pages 56–59 – Employees engagement and enablement, page 19 – Audit Committee report, pages 109–113 – Compliance, Responsibility and Ethics Committee report, pages 114–115 – Diversity disclosures, page 97

The Strategic report was approved by the Board of Directors and signed on its behalf by:

Riad Mishlawi
Chief Executive Officer

25 February 2025