MINIMISING OUR ENVIRONMENTAL IMPACT

This section has been prepared in accordance with our regulatory obligation to report greenhouse gas emissions pursuant to Section 7 of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

During the 2014 financial year, Hikma Pharmaceuticals PLC emitted 18,931 tCO_2e from the combustion of fuel (Scope 1 direct) and 58,435 tCO_2 from electricity purchased for our own use (Scope 2 indirect). This is equal to 3.42 tCO_2e per full time equivalent ("FTE") employee and 10.56 tCO_2 per FTE employee respectively.

The table below shows our emissions performance for the years ended 31 December 2014 and 2013:

Category	2014	2013
Scope 1 - Combustion of fuel and operation of facilities (tCO_2e)	18,931	20,831
tCO_2e per FTE employee	3.42	3.76
Scope 2 - Electricity purchased for our own use (tCO_2)	58,435	51,424
tCO_2 per FTE employee	10.56	9.29

Since 2013, our total Scope 1 emissions have decreased almost 10%. This is due to greater awareness of our climate change impact as a result of improved measurement and monitoring of organisational greenhouse gases since last year. Emissions from Scope 2 electricity usage emissions increased 13%, largely due to increased production at certain sites, including in Algeria and Eatontown, NJ.

▪ Methodology

We quantify and report our organisational greenhouse gas emissions according to the Defra Environmental Reporting Guidelines 2013 and have utilised the UK Government 2014 Conversion Factors for Company Reporting in order to calculate emissions from corresponding activity data. Results are reported in tCO_2e for Scope 1 emissions and tCO_2 for Scope 2 emissions, as UK Government emission factors for overseas electricity currently account for carbon dioxide emissions only.

In order to improve monitoring and management of our carbon impact, we have also begun to implement a global sustainability data programme during 2014. This has improved oversight around our energy consumption and increased the quality and availability of performance information for decision-making.

▪ Reporting Boundaries and Exclusions

We consolidate our organisational boundary according to the operational control approach and have adopted a materiality threshold of 10% for GHG reporting purposes. This approach includes all Hikma subsidiaries and corresponding facilities/assets.

JVs with less than 50% holding have been excluded from our GHG disclosure as it is considered that we do not have operational control over these emissions sources. In addition, non-manufacturing facilities with less than 100 staff at the end of the reporting period are not included within our emissions disclosure on the grounds of materiality. Emissions from Morocco and Sudan locations are excluded due to an absence of available data.

The GHG sources that constitute our operational boundary for the 2014 reporting period are as follows:

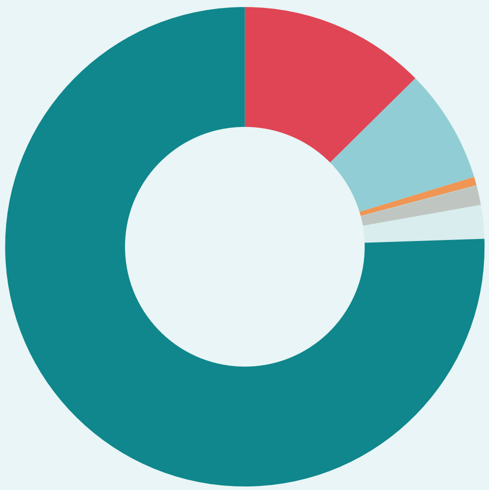
- Scope 1: Facility diesel combustion, facility natural gas combustion, facility LPG combustion, fugitive refrigerants from air-conditioning equipment and vehicle fuel combustion
- Scope 2: Purchased electricity consumption for our own use

▪ Assumptions and Estimations

In some cases, missing information has been estimated using data from the nearest reporting period as a proxy. Furthermore, due to the inclusion of additional emission sources this year, we have decided to restate last year's emissions figures. This allows us to make a more accurate performance comparison between 2013 and 2014.

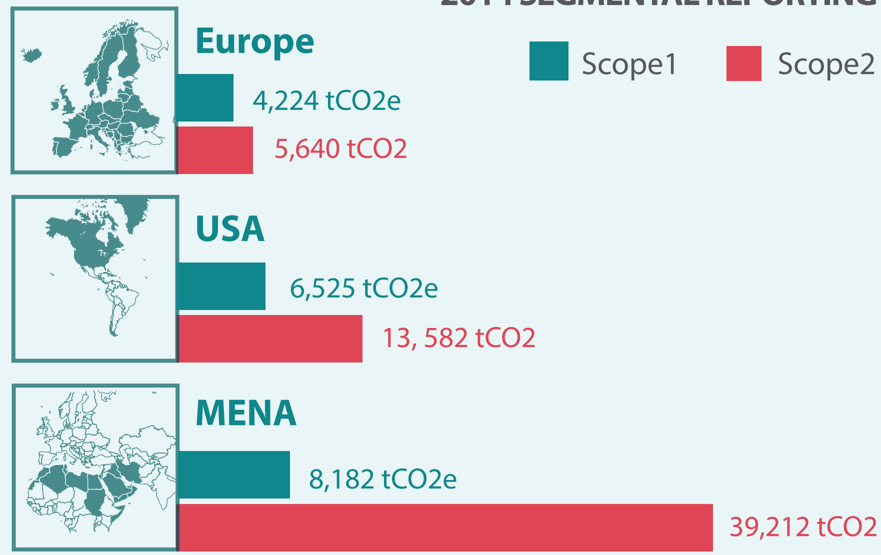
FY2014 Directors' Report GHG Disclosure

2014 EMISSIONS BY GHG SOURCE

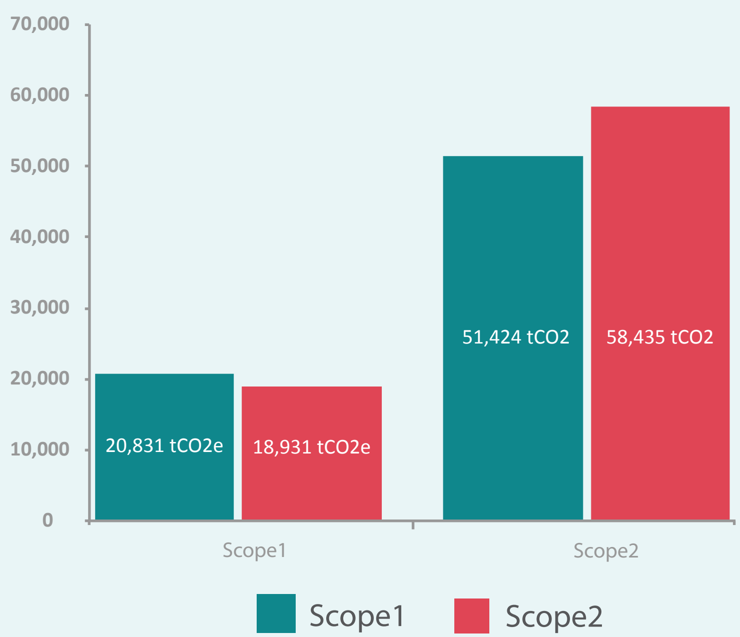


75% Purchased electricity for own consumption
13% Natural gas combustion
8% Diesel combustion
2% Refrigerants
1% Vehicle emissions
<1% Petrol combustion
<1% LPG / Propane combustion

2014 SEGMENTAL REPORTING



TOTAL EMISSIONS 2013 VS 2014



EMISSIONS BY LOCATION: 2013 vs 2014