

Modern Slavery Statement 2021

Hikma Pharmaceuticals PLC (“**Hikma**”) is committed to upholding the principles of the Modern Slavery Act 2015 (“**MSA**”), taking measures to ensure that modern slavery in the form of slavery, servitude, forced or compulsory labour and human trafficking is not taking place in any part of Hikma’s business or in those of our partners and suppliers.

As required by the MSA, this statement describes the steps which Hikma has taken for the financial year ended 31 December 2021 to mitigate the risks of modern slavery in our business and throughout our supply chains (“**Modern Slavery Statement 2021**”).

Hikma’s business, supply chains and structure

Hikma helps put better health within reach every day for millions of people around the world. For more than 40 years, we’ve been creating high-quality medicines and making them accessible to the people who need them.

We develop, manufacture and market a broad range of generic, injectables and branded medicines across the United States and Canada, the Middle East and North Africa and Europe, with 32 manufacturing plants and 7 research and development centres. Together, our approximately 8,700 colleagues are helping to shape a healthier world that enriches all our communities. We are a leading licensing partner, and through our venture capital arm, are helping bring innovative health technologies to people around the world.

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

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

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

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

Goals achieved since 2020

In Hikma's Modern Slavery Statement for the year ended 31 December 2020 ("**Modern Slavery Statement 2020**"), we specifically outlined key steps to be taken to improve the impact of our challenge to modern slavery.

These steps have been satisfied in the following ways:

- increasing the input of third-party details on our third-party risk management platform ("**Due Diligence Platform**") where we have captured all of our existing third parties, apart from a small number of third parties in two jurisdictions;
- reviewed and updated the Code of Conduct for best practices;
- provided annual compliance refresher training for all Hikma employees globally in the summer of 2021; and
- partnered with EcoVadis, a leader in sustainability ratings, to implement a platform that will help us assess our main supplier base across four main areas: i) Environment, ii) Ethics and Sustainable Procurement, iii) Labour & Human Rights; & iv) Forced Labour & Human Trafficking.

Steps taken to manage modern slavery risk in 2021

1. Identifying risks

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

The risk of modern slavery in our supply chain increases when we deal with third parties. We mitigate this risk by carrying out appropriate due diligence and actively engaging with supply chain partners to ensure that the social and ethical standards we require are upheld.

2. Due diligence processes

We have continued to implement the practices set out in our Modern Slavery Statement 2020. Further, as part of our refreshed Group Procurement Policy, which was implemented during 2021, and our Group Third Party Due Diligence Policy, we ensure that our existing and new suppliers are assessed to check compliance with modern slavery protocols.

All third parties are screened as part of our due diligence processes and any third party for which there was evidence of modern slavery, or any related practices, would not be accepted by Hikma. This applies to new third parties as well as existing third parties as our due diligence process is continuous.

Hikma has used the Due Diligence Platform to screen all new third parties in all markets and has been able to upload the vast majority of existing third-party details to the Due Diligence Platform, apart from a small number of third parties in two jurisdictions.

From our preliminary risk assessment and reputational screening, 81% of our assessed third-party base has a low risk profile, 18% has a medium risk profile and 1% has a high-risk profile which is under further investigation.

3. Training

We are pleased that we have met the targets we set in our Modern Slavery Statement 2020 with regard to providing training to our workforce, with over 98% of all global Hikma employees having now completed the annual compliance refresher training in the summer of 2021.

The Code of Conduct and associated compliance training is subject to regular review by the Board of Directors to ensure that it remains up to date.

4. Whistleblowing

As mentioned in our Modern Slavery Statement 2020, our anonymous “speak-up” hotline to empower Hikma staff to report potential issues of modern slavery was extended to Hikma’s consultants and suppliers. This encourages an environment of openness, internally and externally, with regard to conduct and compliance issues.

Next Steps

Hikma’s plans for 2022 include:

- Completing the capture of all third-party details (both new and existing) on our Due Diligence Platform;
- Developing a global supplier code of conduct which will require our suppliers and third parties who represent or conduct business on behalf of Hikma to comply with all applicable laws, rules, regulations, and ethical standards, including with respect to forced or compulsory labour and human trafficking; and
- Continuing to build on the collaboration with EcoVadis to assess our main suppliers across four key areas: i) Environment; ii) Ethics and Sustainable Procurement; iii) Labour & Human Rights; & iv) Forced Labour & Human Trafficking.

This Modern Slavery Statement 2021 was approved by the Board of Directors of Hikma Pharmaceuticals PLC on 28 April 2022.



Sigurdur Olafsson
Chief Executive Officer
28 April 2022



Modern Slavery Statement – y/e 31 December 2020

Hikma Pharmaceuticals PLC (“**Hikma**”) is committed to upholding the principles of the Modern Slavery Act 2015 (“**MSA**”), taking measures to ensure that modern slavery in the form of slavery, servitude, forced or compulsory labour and human trafficking is not taking place in any part of Hikma’s business or in those of our partners and suppliers.

As required by the MSA, this statement describes the steps which Hikma has taken up to the financial year ended 31 December 2020 to mitigate the risks of modern slavery in our supply chain and throughout our business.

About our business

Hikma helps put better health within reach every day for millions of people around the world. For more than 40 years, we have created high-quality medicines, making them accessible to the people who need them. We develop, manufacture and market a broad range of branded and non-branded generic medicines across the US, the Middle East and North Africa, and Europe, with 31 manufacturing plants and 7 research and development centres. Together, our approximately 8,600 colleagues are helping to shape a healthier world that enriches all our communities.

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

Corporate Social Responsibility at Hikma is governed by the Compliance, Responsibility and Ethics Committee, a Board-level committee, which focuses on Hikma’s strong ethical commitment to business integrity.

Hikma has a code of conduct in place that sets out Hikma’s policy on modern slavery (the “**Code of Conduct**”). The Code of Conduct applies to all employees and consultants of Hikma and sets out the principles and standards with which we expect third parties to comply when they conduct business for or on behalf of Hikma.

Goals achieved since 2019

In Hikma’s Modern Slavery Act Statement for the year ended 31 December 2018 (“**2019 MSA Statement**”), we specifically outlined key steps to be taken to improve our anti-modern slavery practices.

These steps have been satisfied in the following ways:

- All new key supplier contracts now include language addressing modern slavery which aligns, as far as possible, with the approved language in our supplier contract templates and our Code of Conduct; and
- As at the date of this statement, over 97% of all global Hikma employees, including members of supply chain teams, have completed compliance training which includes modern slavery issues.

Steps Taken to Manage Modern Slavery Risk in 2020

1. Due Diligence Processes

We have continued to implement the practices set out in our 2019 MSA Statement, including the requirement that all major suppliers complete audit questionnaires every two years that incorporate MSA compliance questions and confirmations.

In April 2020, we launched RiskRate, NAVEX Global’s third party risk management platform (“**RiskRate**”). Upon the details of a third party being input into RiskRate, RiskRate provides such



suppliers with a rating - either high, medium or low risk depending on a number of compliance risk factors. Third parties must also complete a “risk assessment” questionnaire with regard to modern slavery and other compliance issues. If issues are identified that are not in accordance with Hikma’s modern slavery requirements, this would be flagged on the system with a “red flag” warning.

It is Hikma’s policy that any red flag issues should be properly identified and mitigated through adequate controls. If the results of the due diligence process result in a high-risk rating for the third party and the identified risk cannot be mitigated through available controls (e.g., contractual terms, auditing and monitoring, etc.) then the third party shall not be approved (a “**Denied Third Party**”). For the avoidance of doubt, if there was any evidence that a third party had engaged or continues to engage in slavery, servitude, forced or compulsory labour and/or human trafficking, they would automatically be a Denied Third Party. Hikma employees may not engage a Denied Third Party.

RiskRate also allows Hikma to continuously carry out reputation screening and monitoring on its suppliers, alerting compliance teams automatically of any changes in supplier risk profiles that may need to be addressed. When a “reputation alert” comes in for a third party, the information from that alert is immediately used to recalculate the third party’s risk rating. Hikma therefore uses RiskRate to ensure that all suppliers engage in compliant practices, not only at the outset of engagement, but throughout the lifetime of the partnership.

Hikma has currently rolled out RiskRate for new third parties in all markets except for four, where RiskRate will be implemented in 2022. To date, we have been able to upload all existing third party details in the US and Jordan to the RiskRate platform and our aim is to upload the details of all third party suppliers in our remaining jurisdictions by the end of the first quarter of 2022.

2. Training

We are pleased that we have met the targets we set out in our 2019 MSA Statement with regard to training; as mentioned above, over 97% of all global Hikma employees have now completed compliance training.

The Hikma Code of Conduct and training is subject to regular review by the Board of Directors to ensure that it remains up to date. We aim to roll out compliance refresher training for all Hikma employees globally, starting in the summer of 2021. This will be repeated annually and will be in addition to the usual training undertaken by Hikma employees on a regular basis.

3. Whistleblowing

As mentioned in our 2019 MSA Statement, we set up our anonymous “speak-up” hotline to empower Hikma staff to report potential issues of modern slavery. We are pleased to confirm that access to this hotline has been extended to Hikma’s consultants and suppliers. This will make it easier for Hikma to catch potential instances of modern slavery more quickly, and encourages an environment of openness across the board, internally and externally, with regard to conduct and compliance issues.

Next Steps:

Hikma’s plans for 2021 include:

- Increasing the input of third-party details on our RiskRate system to capture all third parties (new and existing) by the end of Q1 2022; and



- Reviewing and updating the Code of Conduct and training, including modern slavery training, ahead of rolling out annual compliance refresher training for all Hikma employees globally in the summer of 2021.

This Modern Slavery Act statement for the year ended 31 December 2020 was approved by the Board of Directors of Hikma Pharmaceuticals PLC on 29 April 2021.

A handwritten signature in blue ink, appearing to read "Sigurdur Olafsson".

Sigurdur Olafsson
Chief Executive Officer
29 April 2021

Modern Slavery Act Statement

Hikma Pharmaceuticals PLC ("**Hikma**") is committed to upholding the principles of the Modern Slavery Act 2015 ("**MSA**") – taking measures to ensure that modern slavery in the form of slavery, servitude, forced or compulsory labour and human trafficking is not taking place in any part of Hikma's business or in those of our partners and suppliers.

As required by the MSA, this statement describes the steps which Hikma has taken up to the financial year ended 31 December 2018 to mitigate the risks of modern slavery in our supply chain and throughout our business.

About our business

Hikma helps put better health within reach every day for millions of people around the world. For more than 40 years, we've been creating high-quality medicines and making them accessible to the people who need them. We develop, manufacture and market a broad range of branded and non-branded generic medicines across the US, the Middle East and North Africa, and Europe. Hikma conducts business in over 50 countries with 30 manufacturing facilities and 7 Research and Development centres. Together, our 8,500 colleagues are helping to shape a healthier world that enriches all our communities.

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

Corporate Social Responsibility (CSR) at Hikma is governed by the Compliance, Responsibility and Ethics Committee (CREC), a Board-level committee, which focuses on advancing Hikma's strong ethical commitment to business integrity.

Our policy on human rights and modern slavery

We respect and uphold the principles of the Universal Declaration of Human Rights both within our company and across our value chain. We have been a signatory to the United Nations Global Compact ("UNGC") since 2007 and support their mission to implement universal sustainability principles and to take steps to support the UN Sustainable Development goals.

At Hikma, we are committed to operating with high levels of integrity and ethics and ensuring that transparency remains at the core of our governance model. These principles are articulated within our Code of Conduct <https://www.hikma.com/about/ethics-and-compliance/code-of-conduct/> which applies to all Hikma employees and contractors across all business sectors in all geographies and sets out the principles and standards with which we expect third parties to comply when they conduct business for or on behalf of Hikma.

We publish a "Communication on Progress" report on our website and the UNGC website every year which includes an update on the steps we take to combat modern slavery in our supply chain and throughout our business.

STEPS TAKEN TO MANAGE MODERN SLAVERY RISK

1. Supplier Questionnaires

We request that our major suppliers fill supply audit questionnaires every two years that include MSA compliance questions and confirmations.

We also request that all our suppliers of active pharmaceutical ingredients and raw materials follow Good Manufacturing Practices (GMP) and that our major suppliers are ISO 14001 and OHSAS

18001 certified or equivalent. In 2016, we introduced specific standard operating procedures (SOPs) to ensure that we, and our partners, are not involved in modern slavery. In 2017, we strengthened our ability to address this issue, incorporating modern slavery clauses into our Supplier Questionnaires, which are mandatory for all our new and major-spend suppliers. Currently, we screen our significant suppliers; we are working to increase the number of those that we engage through our questionnaires.

2. Updated standard clauses in supplier contracts

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

3. Training

We have started rolling out a global training programme on modern slavery issues. Members of the supply chain team in the United States have received training on how to recognize and respond to incidents of modern slavery.

All Hikma employees are required to complete an annual e-learning training module on the Code of Conduct and compliance issues. In 2019 this training will be expanded to include modern slavery issues.

4. Whistleblowing

We maintain an anonymous "speak-up" hotline to empower people to report potential issues of modern slavery or other compliance or corruption issues.

Next steps

Hikma's plans for 2019 include:

- Taking steps to ensure that all new supplier contracts include modern slavery language which aligns, as far as possible, with the approved language in our supplier contract templates;
- Continuing the global roll out of modern slavery training for Hikma's supply chain teams; and
- Expanding global compliance e-training for all Hikma employees to include modern slavery issues.



Sigurdur Olafsson
Chief Executive Officer
12 March 2019