

## 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