

VERIFICATION STATEMENT – REASONABLE ASSURANCE

Carbon Credentials Energy Services Ltd (Carbon Intelligence) has been contracted by Hikma Pharmaceuticals (Hikma) for the independent third-party verification of direct and indirect carbon dioxide equivalent emissions (CO₂e) as provided in the 2021 company annual report and accounts to a reasonable level of assurance. This verification exercise has been performed to the ISO 14064-3 standard.

ROLES AND RESPONSIBILITIES

The management of Hikma is responsible for the organisation's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information.

It is Carbon Intelligence's responsibility to express an independent GHG verification opinion on the emissions as provided in the Hikma annual report and accounts 2021 for the period 1st January 2021 – 31st December 2021.

DESCRIPTION OF ACTIVITIES

The organisational boundary was established following the operational control approach. The scope of this engagement covered the assessment of 100% emission sources required for disclosure by *The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013* plus additional sources:

Scope 1 Emissions

- Combustion of gaseous fuels (natural gas, diesel, petrol & LPG)
- Fugitive refrigerant gases

Scope 2 Emissions

- Purchased electricity consumption (location & market based)

Scope 3 Emissions

- Water supply & treatment
- Waste generated in operations

OBJECTIVES

The objectives of this verification exercise were, by review of objective evidence, to confirm whether any evidence existed that the GHG emissions as declared in the organisation's GHG assertion were not: accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.



CRITERIA

Criteria against which the verification assessment was undertaken:

- i. Reporting standard:
 - Scope 1 emissions: WRI/WBCSD: Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol)
 - Scope 2 emissions: WRI/WBCSD: GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard
 - Scope 3 emissions: WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3)
- ii. Reference calculation methodologies: DEFRA (2013) Environmental Reporting Guidelines: *Including mandatory greenhouse gas emissions reporting guidance*

LEVEL OF ASSURANCE AND MATERIALITY

The level of assurance agreed is that of reasonable assurance. A materiality level of 5% was applied. Note that assessment of compliance and materiality was undertaken against the stated calculation methodology.

CONCLUSION & VERIFICATION OPINION

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a reasonable level of assurance based on the process and procedures conducted.

We conducted our verification of the GHG assertion of Hikma, which included assessment of the company GHG information system and monitoring and reporting methodology. This assessment included the collection of evidence supporting the reported data and multiple checks relative to the provisions of the legislation, reporting standard and calculation methodologies referenced in the verification criteria. This statement shall be interpreted with the GHG assertion of Hikma as a whole.

Carbon Intelligence's approach is risk-based, drawing on an understanding of the risks associated with calculating GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a limited sample basis, of evidence relevant to the reporting of emission information.

Based on the data and information provided by Hikma and the processes and procedures conducted, Carbon Intelligence concludes with reasonable assurance that the GHG assertion:

- Is materially correct;
- Is a fair representation of the GHG emissions data and information; and
- Is prepared in accordance with the criteria listed above.



It is our opinion that Hikma has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

The GHG information for the period 01/01/2021 – 31/12/2021 is verified by Carbon Intelligence to a reasonable level of assurance, consistent with the agreed verification scope, objectives and criteria 100% of emissions by scope are verified as follows:

REPORTING PERIOD: 01/01/2021 – 31/12/2021			
Scope 1 Reported Emissions: 40,562 tonnes of CO ₂ e	Scope 2 (location-based) Reported Emissions: 83,942 tonnes of CO ₂ e	Scope 2 (market-based) Reported Emissions: 76,035 tonnes of CO ₂ e	Scope 3 Reported Emissions: 2,184 tonnes of CO ₂ e

OBSERVATIONS

- Based on our work, Carbon Intelligence considers that material GHG sources are appropriately identified and reported on.
- All errors in reported data identified during the verification process have been duly corrected.

ATTESTATION:

Oliver Smallman
Lead Verifier

On behalf of Carbon Credentials Energy Services Ltd

No member of the verification team has a business relationship with Hikma Pharmaceuticals, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.