

Verification statement

To the stakeholders of Hikma Pharmaceuticals PLC

EcoAct was engaged by Hikma Pharmaceuticals PLC (Hikma) of 1 New Burlington Place, London to provide independent third-party verification of its direct (Scope 1) and indirect (Scope 2 and selected Scope 3) greenhouse gas emissions as detailed in the company's carbon footprint calculation for the period 1st January to 31st December 2022.

Objective & responsibilities

The objective of this verification was to confirm whether the GHG statements as reported in Hikma's Annual Report and Accounts for FY22 are fairly stated and free from material error or omission in accordance with the criteria outlined below. The management of Hikma are responsible for the organisation's emissions sources and GHG related information as well as the development and maintenance of records and procedures in accordance with its reporting requirements.

The EcoAct calculation team are responsible for the collation and calculation of Hikma's emissions totals. The verification team's responsibility is to express an independent verification opinion on the accuracy of the GHG emissions reported by Hikma and supporting processes and procedures in place to aggregate and analyse data.

Criteria

- Calculation methodology: World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol).
- Reference methodologies: UK Government Conversion Factors for greenhouse gas (GHG) reporting 2022 (BEIS – Department for Business, Energy & Industries Strategy); IEA electricity emissions factors data, (2022).

Level of Verification and Materiality

A reasonable level of verification aligned with the ISO 14064-3:2019 standard with specification and guidance for the verification and validation of greenhouse gas statements was conducted. The organisational boundary of Hikma was established as including its operation sites in FY22, using the operational control approach. The verification team reviewed the source data from Hikma's GHG Emissions report, to identify emissions sources material to the carbon footprint.

Verification Opinion

Based on the data and information provided by Hikma and the processes and procedures followed, it is EcoAct's opinion that the following GHG emissions totals are fairly stated and free from material error:

Hikma Carbon Emissions sources	2022 Emissions (tCO ₂ e)
Scope 1 Emissions	44,119.8
Scope 2 Emissions (location-based)	80,489.5
Scope 2 Emissions (market-based – inc. RECs)	64,271.0
Total Scope 1 & 2 (Location-Based)	124,609.3
Scope 3 Emissions (waste, water, well-to-tank)	38,142.3
Scope 3 Emissions (home working & commuting)	7,880.7
Total tCO₂e scope 1,2 and 3 (location-based)	170,632.3

Description of activities

EcoAct verified the revised GHG emissions assertions and calculations which was based on actual data covering the 12 months of the reporting period. GHG emissions report included: Scope 1 emissions (combustion of fuels and refrigerants), Scope 2 emissions (electricity) and Scope 3 emissions (water, waste, fuel and energy-related activities and emissions associated with working from home and commuting). Previous verification statement was based on nine months of actual data and three months of extrapolated data.

The verification of Hikma's emissions related information was conducted through the review and testing of its emissions calculations and selected primary evidence. We have also conducted interviews with stakeholders involved in data gathering and reporting to discuss systems, processes and methodologies used to compile the GHG report for FY22.

Amendments to the carbon footprint calculation, to correct data discrepancies and/or omissions identified during the verification process were corrected by the EcoAct calculation team prior to the finalisation of Hikma's GHG emissions totals. These discrepancies were not material to the data reported above.

Recommendations

Hikma should:

- Improve the collection and storage of primary data and evidence by working closely with data managers to clarify roles and responsibilities and certify that all relevant information related to the carbon footprint is being uploaded to the data platform and readily available for auditing.
- To increase transparency, a detailed methodology outlining the approach(s) used to collect data and compile the carbon report, including estimations and extrapolations of data disclosed, should be documented and available for verification alongside the carbon footprint. This methodology should be reviewed annually to ensure that information contained in the report is relevant to the current reporting year.
- Conduct regular data audits to identify and resolve activity data issues prior to the year-end reporting cycle to improve the accuracy of reported data and avoid data restatements. Regular checks will also ensure environmental data is aligned with the business and auditing requirements.

Further detailed findings and recommendations about Hikma's emissions data have been made to the management of Hikma and EcoAct carbon footprint team throughout the verification.

Verified by

Flavia Tavares

Flavia Tavares
Senior Consultant

EcoAct, an Atos Company

London, March 2023

Statement of Independence

EcoAct is an independent carbon management company. Our team has extensive experience in the verification of carbon data, information, systems, and processes. The data required for the greenhouse gas statement described herein were compiled by Hikma. The greenhouse gas emissions described in this statement were calculated by EcoAct Ltd. No member of the verification team was involved in the carbon footprint calculation process except to apply amendments derived from the verification process as described above. No member of the EcoAct team has a business relationship with Hikma, its Directors, or Managers beyond that required of this assignment. To our knowledge there has been no conflict of interest.