

## Hikma sustainability reporting criteria

<b>1</b>	<b>Introduction .....</b>	<b>2</b>
1.1	Basis for reporting .....	3
1.2	Data Management .....	4
1.3	Reporting boundaries .....	4
1.4	Changes to published data .....	4
<b>2</b>	<b>Advancing health and wellbeing .....</b>	<b>5</b>
2.1	Access to Medicine .....	5
2.2	Product quality and patient safety .....	5
2.3	Social responsibility .....	6
<b>3</b>	<b>Empowering our people .....</b>	<b>7</b>
3.1	Wellbeing and development .....	7
3.1.1	Employee engagement and enablement .....	8
3.1.2	Learning and development .....	9
3.2	Inclusivity .....	10
3.3	Employee health and safety .....	11
3.4	Appendix: Empowering our people .....	12
<b>4</b>	<b>Protecting the environment .....</b>	<b>13</b>
4.1	Reporting standards and frameworks .....	13
4.2	Emissions factors and energy conversion factors .....	13
4.3	Emissions targets and conditions for restatement .....	14
4.4	Metrics .....	15
4.5	Definitions/Sources .....	17
4.6	Calculations and Estimations .....	18
4.7	Appendix .....	23
4.7.1	Explanations and sources for metrics .....	23
4.7.2	Emissions factors .....	23
<b>5</b>	<b>Operating transparently and ethically .....</b>	<b>24</b>
5.1	Ethical business conduct .....	24
5.2	Responsible value chain .....	24

# 1 Introduction

This document outlines the reporting criteria, definitions, scope, and calculation methodology for Hikma's sustainability-related public disclosures. Reported metrics are selected based on the Double Materiality Assessment (DMA) conducted in 2024 through which Hikma's sustainability topics were identified (see image below).

Through the DMA, we identified one pinnacle pillar (Advancing health and wellbeing) and three supporting pillars, within which our Hikma Sustainability Topics (HSTs) are classified. Our sustainability pillars and HSTs are outlined in the framework below.

We undertake internal and external review of our disclosed information to ensure that:

- The information and data provided is true and accurate and is intended to provide a fair and transparent portrayal of Hikma and its activities.
- Any assumptions, exclusions or restatements are clearly stated, with the methodology of our calculation explained.

Our Sustainability Framework includes eleven HSTs across four pillars. Our primary sustainability focus is Advancing health and wellbeing, within which fall the HSTs that were determined to be most material – Access to medicine, Product quality and patient safety, and social responsibility.

This version of the reporting criteria is intended to align with our 2025 Annual Report and Sustainability Report. Going forward, we will continue to update our reporting criteria and methodology to maintain alignment with our public disclosures and reporting requirements.

## Sustainability Framework



## 1.1 Basis for reporting

The sustainability pillars and HSTs (listed below) guide our reporting, metrics and KPIs related to sustainability.

Pillar	Topic	Details
Advancing health and wellbeing*	<ul style="list-style-type: none"> <li>Access to medicine**</li> </ul>	Metrics related to the number of treated patients (based on sales), the value of donated medicines and the number of product submissions, approvals and launches.
	<ul style="list-style-type: none"> <li>Product quality and patient safety</li> </ul>	Metrics related to oversight of the quality of manufactured products and patient outcomes.
	<ul style="list-style-type: none"> <li>Social responsibility</li> </ul>	Metrics related to community engagement, charitable donations and sponsorships, and employee volunteering activities.
Empowering our people	<ul style="list-style-type: none"> <li>Wellbeing and development</li> </ul>	Metrics related to the number of employees, classified by region and by level; employee perception (engagement and enablement); retention (voluntary turnover); and learning and development.
	<ul style="list-style-type: none"> <li>Inclusivity</li> </ul>	Metrics related to employee gender.
	<ul style="list-style-type: none"> <li>Workforce health and safety</li> </ul>	Metrics related to work-related incidents (injuries and illnesses) and fatalities.
Protecting the environment	<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> </ul>	Metrics related to emissions from the Company and value chain activities, and energy purchase, consumption and generation.
	<ul style="list-style-type: none"> <li>Water management</li> </ul>	Metrics related to water extraction, treatment and discharge.
Upholding ethical standards and acting with integrity	<ul style="list-style-type: none"> <li>Ethical business conduct</li> </ul>	Metrics related to employee Code of Conduct training.
	<ul style="list-style-type: none"> <li>Corporate governance</li> </ul>	
	<ul style="list-style-type: none"> <li>Responsible value chain</li> </ul>	Metrics related to supplier screening activities.

\* Pinnacle pillar

\*\* Pinnacle HST

## 1.2 Data Management

Data is collected periodically (typically monthly, quarterly or annually) through various internal systems depending on the metric, information source, and relevant functions. Source data used for metrics include financial systems, external databases, employee systems, supplier invoices, meter readings or site building management systems.

Documentation is maintained for the purpose of internal and external validation, with the former conducted periodically by subject matter experts. For data that is collected manually (such as fuel or electricity consumption, FTE commuting details), multiple data reviews are conducted by data providers and data owners to increase data integrity and minimise human error. External verification certificates for published data are available at [www.hikma.com](http://www.hikma.com).

Data is gathered from facilities that are either owned or leased by Hikma, including those operated through joint ventures where Hikma maintains full operational control. Facilities not directly managed or operated by Hikma are excluded from the reporting boundary. Newly acquired or divested facilities will be incorporated into the reporting scope within one year of the acquisition/divestment.

Restatement of the baseline for carbon reporting resulting from an acquisition or divestment is conducted in cases where the acquisition/divestment results in a change of +/-5% of the total carbon footprint.

## 1.3 Reporting boundaries

The organisational boundary for metrics outlined in this document follows the operational control approach and includes all operations and locations where Hikma or its subsidiaries have operational control. This includes owned and leased assets operated by Hikma, including manufacturing facilities, research and development (R&D) facilities, warehouse and distribution centres and offices, unless stated otherwise. Boundary exclusions and exceptions for specific metrics are described where applicable.

## 1.4 Changes to published data

Data that has been published previously will be restated in cases where misstatements or a requirement to re-baseline is identified and the adjustment is material. The change represents a material change (increase or decrease of 5%); or in cases where quantitative targets or Key Performance Indicators (KPIs) are materially impacted by the change.

The approach for data changes and restatements related to energy and emissions aligned to the GHG Protocol is detailed in the Protecting the Environment section.

## 2 Advancing health and wellbeing

### 2.1 Access to Medicine

Metric	Definition	Source and data collection methodology
Number of patients treated (million), Hikma global	<p>The 'total number of drug-treated patients is an estimation developed by IQVIA.</p> <p>It is generated through country-specific historical and forecast patient number estimates that are based on observed drug sales, volumes and patient days</p>	<p>Source: Based on internal analysis by Hikma Pharmaceuticals PLC using data from the following source: IQVIA Analytics Link Q4 2024 for the calendar year 2021, 2022, 2023 and 2024, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved. Drug-treated patient values are derived by converting disease-specific volume sales for each drug to estimated treated patient numbers, adjusted for dosing, duration and compliance, but not concomitance.</p>
Medicine donations (COGS) \$m	Total costs for all medicines donated voluntarily as charity.	<p>Data for medicine classified as 'donated' is recorded at the site level and centrally; and collected and compiled quarterly through central financial reporting platforms, isolating for products classified as 'charitable donations,' as determined by Hikma's Product Donation Policy. This segment includes voluntary, charitable donations and excludes free medical samples. Medicine donations are valued at cost.</p>
Product submissions, approvals, launches	<p>Sum of pipeline products submitted, approved and launched.</p> <p>MENA numbers include only the five major markets (Algeria, KSA, Egypt, Morocco and Jordan).</p>	Updated information on product submissions, approvals and launches is collected centrally by Marketing and Regulatory Affairs functions and extracted in line with reporting period requirements.

### 2.2 Product quality and patient safety

Metric	Definition	Source and data collection methodology
Good manufacturing practices and GxP-related audits at our sites	The total number of GMP or GxP-related audits conducted at Hikma's operating locations, managed either internally or externally that were completed during the reporting period.	<p>Records of all scheduled, ongoing and completed audits are managed centrally and are extracted ahead of the reporting period.</p> <p>An annual plan is generated describing the types of audits and suppliers we are planning based on a risk-based approach. Depending on various factors, audits are planned up to five years ahead. Within certain sites, we conduct third-party audits to ensure FDA compliance. All documentation is recorded and stored in the Veeva Vault system and consolidated at the Group level during reporting periods. Stored on electronic QMS system.</p>
Worldwide pharmacovigilance (PV) compliance with reporting requirements	The percentage of individual case safety reports (ICSRs) and aggregate reports submitted to regulatory authorities within the required timelines.	Submission of ICSRs and aggregate safety is continuously monitored through global trackers. Compliance data are consolidated and reported in monthly PV compliance reports.

## 2.3 Social responsibility

Metric	Definition	Source and data collection methodology
Number of employee volunteers, by region	The total number of full-time and part-time employees that have participated in community-engagement activities during the reporting period.	Community engagement activities are defined as in-person or online initiatives organised by the CSR Department with the goal of impacting communities within any of Hikma's three CSR Pillars (supporting health, education and/or people in need). The number of volunteers and volunteering hours are collected at the location of the CSR activity and consolidated through a central database (CSR Portal) which indicates registered volunteers and corresponding volunteer hours based on the length of the activity. Data is extracted in line with reporting cycle requirements.
Number of employee volunteering hours, by region	The total number of hours spent by full-time and part-time employees participating in community engagement activities during the reporting period.	
Total community engagement activities	The number of activities conducted at Hikma locations for the purpose of positively impacting communities.	Community engagement activities are defined as initiatives organised by the CSR Department with the goal of impacting communities within Hikma's three CSR Pillars (supporting health, education and/or people in need). Community engagement activities are registered at the site level and collated centrally, with the total annual figure extracted at the end of the reporting year.
Charitable donations (\$)	The \$ amount spent by Hikma globally towards sponsorships and donations specifically to address positive community impacts within Hikma's CSR Pillars.	Data for monetary donations provided as donations or sponsorships are collected at the location-level and consolidated centrally on a quarterly basis, through internal databases of the Finance Department. The monetary value of payments classified as 'charitable donations' are extracted from databases as needed for reporting purposes.
Total blood donated	The sum of all blood donated by employees to blood banks as part of community engagement activities.	Employees that take part in community engagement activities that involve donating blood to blood bank or similar entity have their names stored through the CSR Portal during the organisation of the activity, and consolidated and extracted for reporting purposes.
Total breast cancer screening exams	The number of breast cancer screening exams conducted through community engagement activities organised by Hikma, and through entities that have conducted screening exams in partnership with Hikma.	Data on breast cancer screening exams is collected through progress reports submitted by our local partners and community engagement activities at the site or country level. The data is then extracted and consolidated in line with reporting cycle requirements.
Total supported students	The total number of students supported (educationally, financially, socially) through community engagement activities organised by Hikma, and through entities that support students in partnership with Hikma.	Data on supported students is collected through regular progress reports submitted by our local partners and community engagement activities at the site or country level. The data is then extracted and consolidated in line with reporting cycle requirements

Number of granted scholarships	The total number of scholarships granted to students through CSR partnerships.	Data on granted scholarships is collected through regular progress reports submitted by our local partners and community engagement activities at the site or country level. Data is then extracted and consolidated in line with reporting cycle requirements
Invested in local community projects (\$)	The total financial contributions made by Hikma globally toward local community projects aimed at addressing one or more of Hikma's CSR Pillars.	Data on the financial contributions toward local community projects is collected through regular progress reports submitted by our local partners and community engagement activities at the site or country level. Data is then extracted and consolidated in line with reporting cycle requirements.
Total number of donated food packages and meals	The total quantity of food packages and meals distributed to families in need through our community engagement activities.	Data on donated food packages and meals donated is collected through regular progress reports submitted by our local partners and community engagement activities at the site or country level. Data is then extracted and consolidated in line with reporting cycle requirements

### 3 Empowering our people

#### 3.1 Wellbeing and development

Metric	Definition	Source and data collection methodology
Number of employees	The total number of employees within the reporting boundary listed under full-time and part-time employment types as at the end of the reporting period.	Employee headcount data is updated regularly at the location level and managed through an internal central database. All locations are included in this database except for AMC and IPRC locations in Jordan. Data is extracted by our HR team in line with reporting period requirements.
Whether more than 10% of workforce or more than 1,000 employees are affected by layoffs or mergers/acquisitions	Measuring whether the change in the number of full-time and part-time employees has decreased by 10% or 1,000 people during the reporting year.	Comparing total headcount data as extracted from the HR database during the beginning and end of reporting period to ascertain whether total number of employees has decreased by 10% or 1,000 people during the reporting period.

### 3.1.1 Employee engagement and enablement

Metric	Definition	Source and data collection methodology
Employee engagement score	A measure of the emotional connection employees has with the organisation, reflected in their levels of commitment, loyalty, and willingness to go the extra mile	The People's Voice Survey is shared periodically with all full-time and part-time employees for their comprehensive input, through which a score is generated reflecting perceptions towards employee engagement and enablement.
Employee enablement score	Measures how effectively an employee can contribute, based on skill-role fit, access to engaging work, supportive work conditions, and the presence of barriers to performance.	
Number of new employee hires	The total number of full-time or part-time employee hired within the reporting year as at the end of the reporting period, either as a first-time employee at Hikma or as a previous employee who has rejoined the Company.	Joiners' data is updated regularly on our HR data base and is extracted in line with the reporting period
Voluntary turnover	Turnover is specifically for full-time and part-time employees that willingly choose to forfeit employment with the Company during the reporting period. Reported as a total number and as a rate. Includes the following employment types: Full-time and part-time employees	<p>Voluntary turnover rate is calculated as:</p> <ul style="list-style-type: none"> <li><math>(\text{Number of voluntary turnover employees during relevant reporting period} / (\text{Total number of in-scope employees at beginning of reporting period} + \text{total number of in-scope employees at close of reporting period}) / 2) * 100</math></li> </ul> <p>Voluntary turnover rate per gender is calculated as:</p> <ul style="list-style-type: none"> <li><math>(\text{Number of voluntary turnover employees of the specified gender during relevant reporting period} / (\text{Total number of employees of the specified gender at the beginning of reporting period} + \text{total number of employees of the specified gender at close of reporting period}) / 2) * 100</math></li> </ul>
Promotion rate	The percentage of employees who receive a promotion during the reporting period. Includes the following types of employment: Full-time and part-time employees.	Promotion rate calculated as: $(\text{Number of promotions during relevant reporting period} / \text{total number of employees}) * 100$

### 3.1.2 Learning and development

Metric	Definition	Source and data collection methodology
Active Employees	Total number of full-time and part-time employees as of 31 December	Total number of full-time and part-time employees as of 31 December excluding employees on a leave of absence. Data is sourced from Human Capital Management System
Video-based learning hours completed	The total number of learning hours completed by active employees on video-based learning courses throughout the reporting year.	Data is sourced from integrated systems such as LinkedIn Learning and others
Instructor-led learning hours	The total number of learning hours completed by active employees on in-person, instructor-led learning throughout the reporting year.	Data is sourced from the learning management system. The completion of training event is recorded by the instructor or learning management system administrator based on actual attendance
Number of active Continuing Education Scholarships for employees	The total number of accepted employees in Hikma's global Continuing Education Scholarship programme during the period of 1 January to 31 December of the reporting year.	Data is provided by Organisation Development Department who manages the programme. A list of accepted applicants is approved by Continuing Education Committee on an annual basis.
Average hours of training	<p>The average hours of training, across all learning platforms including in-person training, per full-time employee.</p> <p>Training hours encompass a wide range of structured learning activities. These include both internal and external classroom-based training, as well as digital learning content such as e-learning courses, books, book summaries, audiobooks, and certifications. The training covers various domains relevant to employee development, including professional growth, leadership and management, language proficiency, information technology, and other developmental programmes.</p>	<p>The average hours of training per employee are calculated by dividing the total number of training hours completed by active employees as of 31 December.</p> <p>The reporting period spans from 1 January to 31 December. Training data is sourced from the Learning Management System (LMS) and integrated platforms such as LinkedIn Learning, Skillsoft, Wajeez, and other approved systems.</p> <p>This calculation excludes informal learning activities such as on-the-job training, procedural guidance, and task-specific work instructions. Only formal, trackable learning experiences are considered in the total training hours</p>

## 3.2 Inclusivity

Metric	Definition	Source and data collection methodology
Number of full-time employees – Women	The total number of full-time employees that are classified as women during 31 December of the reporting year.	<p>A headcount report is generated that includes in scope employees as per the reporting boundary on 31 December of the reporting year. The number of women is derived based on employee gender classifications for full-time employees.</p> <p>Percentage: Employee classification based on gender (see Appendix) is applied to derive the percentage classified as Woman against the total headcount (total number of Women in headcount / total headcount).</p>
Number of women in Managerial levels	The total number of full-time employees within employee levels 16-24 that are classified as women during 31 December of the reporting year.	<p>A headcount report that includes in scope employees is generated as per the reporting boundary on 31 December of the reporting year. Employee classification based on employee grade is applied to isolate employees classified as holding Managerial roles that are classified as women, against the total number of employees in Managerial roles (total number of women in Managerial roles / total number of employees in Managerial roles).</p> <p>The calculation excludes employees at the International Pharmaceutical Research Centre (IPRC) and Arab Medical Containers (AMC) in Jordan pending integration these locations into the Company-wide HRIS.</p>
Number of women in Professional and Worker levels	The total number of full-time employees within employee levels 1-15 that are classified as women during 31 December of the reporting year	<p>A headcount report that includes in scope employees is generated as per the reporting boundary on 31 December of the reporting year. Employee classification based on employee grade is applied to isolate employees classified as holding Professional and Worker roles that are classified as women, against the total number of employees in Professional and Worker roles (total number of women in Professional and Worker roles / total number of employees in Professional and Worker roles).</p> <p>The calculation excludes employees at the International Pharmaceutical Research Centre (IPRC) and Arab Medical Containers (AMC) in Jordan</p>
Number of Board members appointed that are women	The total number of women on the Board of Directors during 31 December of the reporting year.	Self-declaration forms are signed by each of the members of the Hikma Pharmaceuticals plc Board. The number of women on the Board is calculated as the sum of Board members that identify as women in their self-declaration forms.

### 3.3 Employee health and safety

Metric	Definition	Source and data collection methodology
<ul style="list-style-type: none"> <li>• Number of lost time incidents (LTIs)</li> <li>• Lost time incident rate (LTIR)</li> </ul>	<p>The total number of work-related reportable injuries and illnesses of employees resulting in lost time.</p> <p>Lost time incident rate (per 200,000 hours worked)</p> <p>Includes the following employment types: All Hikma employees plus individuals employed by a staffing agency but are under direct supervision of a Hikma employee. These employees work in unison with Hikma employees and are included in the scope of EHS responsibility at the site. Examples include, but are not limited to, contingent workers, temporary workers, and daily workers.</p>	<ul style="list-style-type: none"> <li>• LTIR is calculated based on the total number of lost time incidents incurred by in-scope employees because of work-related incidents. The number of incidents is measured against Total Working Hours for the reporting period to calculate the LTIR.</li> <li>• Total Lost Time Injuries (Total LTIs): The sum of LTIs recorded during the reported period</li> <li>• Total Working hours: The sum of all working hours during the reporting period for in-scope employees Calculated using applicable headcount * 166 <ul style="list-style-type: none"> <li>○ This calculation assumes that the average employee works approximately 2,000 hours per year. Broken down by month, the average employee works 166 hours per month. Where accurate data from Payroll reporting systems is available this should be used</li> </ul> </li> <li>• Lost Time Injury Rate (LTIR): <ul style="list-style-type: none"> <li>○ <math>\text{Total LTI's} \times 200,000 / \text{Total Working Hours}</math></li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Number of fatalities</li> <li>• Fatality rate</li> </ul>	<p>The total number, and rate of work-related fatalities during the reporting period.</p>	<p>Includes the following employment types: All Hikma employees in addition to those employee types that are under direct supervision of a Hikma employee – examples include, but are not limited to, Temporary workers, Contingent Workers, Daily workers.</p> <ul style="list-style-type: none"> <li>• Calculated as the sum of in scope employees that suffer a fatality during the reporting period.</li> </ul>

### 3.4 Appendix: Empowering our people

#### Employment types

*The employment type definitions below are used to define the reporting boundary for each employee-related sustainability metric.*

- Full-Time Employee: An individual who is employed by Hikma on a full-time basis for a definite or indefinite period; this individual is paid by Hikma and is eligible for benefits as outlined in Hikma policies and/or employment contracts. This includes full-time employees working in joint venture locations.
- Part-Time Employee: An individual who is employed by Hikma on a non-full-time (based on local labour laws) basis for a definite or indefinite period; this individual is paid by Hikma and is eligible for benefits as outlined in Hikma policies and/or employment contracts.
- Consultant: An individual employed by Hikma who performs work on a specific project or provides a service in a specialized area of expertise or skill as outlined by an agreement; this individual is employed and managed by Hikma for a specified duration.
- Temporary Worker: Individuals employed by a staffing agency but are entirely managed by Hikma (i.e. manage recruitment, onboarding, time and attendance). Also includes individuals under service agreement employment who are not eligible for Hikma benefits. Temporary employment generally lasts for a specified duration of time as outlined by the agreement.
- Long-term Contractors: Consultants and Temporary Workers and defined above.
- Trainee: An individual employed and paid by Hikma and is being trained on the job to gain experience and skills. Trainee employment usually lasts for up to 1 year.
- Contingent worker: An individual who is employed by a Staffing Agency who is assigned to perform work at Hikma; this individual is employed and managed by the Staffing Agency, is paid by the Staffing Agency and is eligible for any benefits as determined by the Staffing Agency; this individual is not employed by Hikma and is not eligible for pay or benefits offered by Hikma.
- Staffing Agency: A temporary (defined as meaning a fixed period of time) staffing agency under contractual agreement with Hikma, which employs individuals who are assigned to perform work for Hikma; the agency manages these individuals' employment, is responsible for paying their employee(s) and determines what benefits they may offer; employees of the agency are not eligible for pay or benefits offered by Hikma; these are temporary staffing agencies the Company has established a relationship with.
- Contractor / Daily worker: An individual who is hired by an outside firm to provide a service for Hikma. The individual's work is managed entirely by the outside firm for roles such as cleaning services, pest control, cafeteria management, etc.
- Gov-Disability: An individual employed and paid by Hikma who is suffering from an impairment that makes it difficult for the person to attend to the job. Usually, those hires are mandated by law of certain countries. The number of employees in this category are not considered to be material and therefore unless stated otherwise are excluded from the reporting.
- Active employees: Employees who are not on an extended leave of absence (e.g. Maternity leave) that are maintained in Hikma's global HR database
- Non-active employees: Employees who are on an extended leave of absence (e.g. Maternity leave) that are maintained in Hikma's global HR database

## 4 Protecting the environment

### 4.1 Reporting standards and frameworks

We quantify and report environmental metrics in alignment with the World Resources Institute's Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, and in alignment with the Scope 2 guidance. Scope 3 emissions reporting aligns with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard.

### 4.2 Emissions factors and energy conversion factors

GHG emissions sources included in our reporting arise from the following activities (both within our operations and across our value chain; Scope 1, 2 and 3):

- **Activity sources:**
  - Natural gas, diesel, petrol, liquified petroleum gas (LPG) and propane combustion
  - Refrigerants use
  - Purchased electricity – standard and renewable
  - Generated electricity – renewable
  - Water and waste management
  - Primary data sources: Includes data provided by suppliers or others that directly relates to specific activities in the reporting company's value chain.
  
- **GHG sources:**
  - Carbon dioxide (CO<sup>2</sup>)
  - Methane (CH<sup>4</sup>)
  - Nitrous oxide (N<sup>2</sup>O)
  - Hydrofluorocarbons (HFCs)

We convert all GHG emissions to tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) to compare across emissions sources and to describe impacts of emissions in terms of global warming potential. Emissions factors are obtained from the following sources and updated as necessary.

- European Residual Mixes, published annually by the Association of Issuing Bodies (AIB), retrieved from [www.aib-net.org](http://www.aib-net.org)
- Green-e Residual Mix Emissions Rate, published annually by the Center for Resource Solutions, retrieved from [www.green-e.org](http://www.green-e.org)
- UK Government GHG Conversion Factors for Company Reporting
- International Energy Agency (IEA) Emission factors
  - For Scope 2 Market-based calculations, where available, supplier specific factors are used, and Renewable Energy Certificate (REC) purchases are included. For non-renewable electricity purchases, residual factors are applied where available, and country-based factors are applied if residual factors are unavailable.

In cases where fuel data is collected in mass or volume, these are converted to energy and then to emissions using the following sources:

Fuel calorific factors are used to convert fuel data that is collected in volumetric or mass units. These factors are sourced from the UK Government conversion factors for Company reporting of greenhouse gas emissions published annually by the Department for Energy Security and Net Zero (DESNZ) and Department for Business, Energy & Industrial Strategy.

### Scope 3 emissions factors:

• Life cycle emission factors: Include emissions that occur at every stage of a material/product's life, from raw material acquisition or generation of natural resources to end of life. LCE factors are utilized whenever the emissions are quantified using Ecoinvent Secondary data sources.

- Ecoinvent 3.7.1: Valid from 1 January 2021 to 30 December 2030.
- Ecoinvent 3.9.1: Valid from 31 December 2022 to 31 December 2032.
- Ecoinvent 3.10.1: 19 November 2024 to 19 November 2034.
- International Energy Agency (IEA) and Department for Environment, Food & Rural Affairs (DEFRA) UK: Updated annually

Cradle-to-gate (upstream) emission factors: Include all emissions that occur in the life cycle of a material/product up to the point of sale by the producer. In Hikma, cradle-to-gate emission factors are applied whenever Primary data sources (Supplier emission factors) or Exiobase secondary data source are in use to quantify the emissions.

- Exiobase 3.4: Valid from 1 January 2021 to 31 December 2024.
- Exiobase 3.8.2: Valid from 1 January 2021 to 1 January 2029.
- Exiobase 3.10: Valid from 1 January 2022 to 1 January 2032.

## 4.3 Emissions targets and conditions for restatement

In 2021, we established a target to reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline. The target was developed using the absolute contraction approach and is in line with the Paris Climate Agreement's well-below 2°C scenario.

In alignment with the GHG Protocol Corporate Standard, we will restate our emissions baseline in the event of a structural change; defined as an acquisition or divestment that results in a net change of  $\pm 5\%$  or more to our total annual Scope 1 and 2 (market-based) emissions footprint. The 5% threshold is considered the minimum threshold for determining a significant structural change that warrants baseline recalculation. Acquisitions include the transfer of ownership of a property, facility, or company.

Following such a structural change, the emissions footprint of the acquired or divested entity shall be incorporated into the Company's emissions inventory within one reporting year following the transaction's completion, unless the acquired entity is not operational. This incorporation shall be based on the best available data and conducted in accordance with the principles and methodologies outlined in the GHG Protocol.

Baseline emissions recalculation is conducted by adding or subtracting the energy consumption of the acquired/divested entity (or an accurate estimation in cases where data is not available) and determining the new emissions footprint using the revised energy footprint.

## 4.4 Metrics

### GHG emissions (tCO<sub>2</sub>e)

Scope 1 – Combustion of fuel and operation of facilities	Combustion of fuel and operation of facilities, Company vehicles
	Fugitive emissions (refrigerants)
Scope 2 – Electricity	Purchased electricity (market-based)
	Purchased electricity (location-based)
Scope 3 – Corporate value chain	Category 1 Purchase of goods and services
	Category 2 Capital goods
	Category 3 Fuel & energy related activities not included in Scope 1 or Scope 2
	Category 4 Upstream transportation and distribution
	Category 5 Waste generated in operations (including water)
	Category 6 Business travel
	Category 7 Employee commuting
	Category 11 Use of sold products
Category 12 End of life treatment of sold products	

GHG emissions (Scope 1 and 2): Breakdown by source	Natural gas combustion (Scope 1)
	LPG/Propane combustion (Scope 1)
	Diesel and petrol combustion (including for vehicle-use)
	Refrigerants (Scope 1)
	Purchased electricity (Scope 2)
GHG emissions (Scope 1 and 2): Breakdown by region	North America
	Middle East and North Africa (MENA)
	European Union (EU) and Rest of World (RoW)

GHG emissions intensity (Scope 1 and 2)	By revenue (\$m)
	By headcount (full-time employees)

GHG emissions – UK office (Scope 1 and 2)	Emissions total
	Emissions as percentage of Group-wide total

**Energy (MWh)**

Energy – annual Group-wide consumption	Fuels
	Electricity

Energy – consumption by region	North America
	MENA
	EU and RoW

**Water (m3)**

Water	Extraction	the sum of all water drawn from municipal supply, groundwater wells, collected surface or rainwater, or supplied by third parties in tankers to Hikma during the reporting period. <sup>1</sup>
	Treatment	the sum of effluents, used water and unused water that undergoes onsite treatment for purpose of reuse within the site for production, utilities, irrigation or other internal purpose.
	Discharge	the sum of effluents, used water and unused water released during the reporting period to surface water, groundwater, seawater or third-party for which Hikma has no further use.
	Consumption	The sum of all water that has been withdrawn (extracted) and has not been released back to surface water, groundwater, seawater or third-party (discharged) during the reporting period.

**Waste (tonnes)**

Waste management	Waste type: Hazardous	Waste that has properties that make it dangerous or capable of having a harmful effect on human health or the environment.
	Waste type: Non-hazardous	Waste that does not have properties that make it dangerous or capable of having a harmful effect on human health or the environment.
	Treatment type: Recycled	Waste that has been or will be recycled for reuse. This excludes waste that is incinerated for energy recovery purposes. In cases where the relevant waste authorities do not provide breakdowns of waste treatment methods, this amount is estimated based on available data.
	Treatment type: Landfilled	Waste that has been buried or stored at a designated location specific for this purpose
	Treatment type: Incinerated	Waste that has been burned under controlled conditions as a method of disposal. In cases where the relevant waste authorities do not provide breakdowns of waste treatment methods, this amount is estimated based on available data.
	Treatment type: Energy recovery	Waste that has been disposed in way that generates useable energy. In cases where the relevant waste authorities do not provide breakdowns of waste treatment methods, this amount is estimated based on available data.

<sup>1</sup> Where necessary, water is supplied by tankers at irregular intervals and depending on circumstance.

## 4.5 Definitions/Sources

### GHG emissions (tCO<sub>2</sub>e)

Scope 1 – Combustion of fuel and operation of facilities	Combustion of fuel and operation of facilities, Company vehicles	Our Scope 1 and Scope 2 emissions are calculated and reported in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard, applying the operational control approach
	Fugitive emissions (refrigerant and propellant losses)	
Scope 2 – Electricity	Purchased electricity (market- based)	
	Purchased electricity (location- based)	
Scope 3 – Corporate value chain	Category 1 Purchase of goods and services	Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 – 8
	Category 2 Capital goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year
	Category 3 Fuel & energy related activities not included in Scope 1 or Scope 2	Emissions associated to the extraction, production, and transportation of i) fuels consumed by the reporting company or ii) in the generation of electricity, which is subsequently consumed by the reporting company or lost within the transmission and distribution system. Category 3 emissions are calculated by site and country using Scope 1 and 2 data.
	Category 4 Upstream transportation and distribution	Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations, or third-party purchased transportation and distribution services including inbound logistics, outbound logistics and third-party transportation and distribution between a company's own facilities
	Category 5 Waste generated in operations (including water)	Category 5 includes emissions from third-party disposal and treatment of waste generated in the reporting company's operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater
	Category 6 Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)
	Category 7 Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)
	Category 11 Use of sold products	This category includes direct use phase emissions from the use of goods and services sold in the reporting year. This includes: <ul style="list-style-type: none"> <li>Emissions from use of propellant-based inhalers by patients</li> <li>Energy required for cooled storage of sold products (cold chain products)</li> </ul>
	Category 12 End of life treatment of sold products	This category includes emissions from the waste disposal and treatment of product packaging sold in the reporting year. This category includes the total expected end-of-life emissions from the packaging of all products sold in the reporting year, developed based on data related to waste disposal methods at relevant locations

## 4.6 Calculations and Estimations

<p>Scope 1 – Combustion of fuel and operation of facilities</p>	<p>Combustion of fuel and operation of facilities, Company vehicles</p>	<p><b>Collection methodology</b></p> <ul style="list-style-type: none"> <li>Data is collected locally and consolidated centrally. We have developed in-house tools through which individual locations provide data and supporting documents (i.e. electricity invoices). This data is then consolidated and converted to kilowatt hours (kWh).</li> <li>In cases of the purchase of natural gas, petrol, liquefied petroleum gas (LPG), diesel, refrigerants (used for heating, ventilation, and air conditioning (HVAC)) or other emissions sources; we calculate the entirety of the consumption as having taken place at the time of the purchase.</li> <li>For Scope 2 Market-based emissions, where contractual evidence indicates that the electricity used at a facility is supported by electricity attribute certificates (EACs), unbundled certificates such as Renewable Energy Certificates (RECs) or Guarantees of Origin (GOOs), we consider this energy use to be 100% renewable. We use GHG Protocol Scope 2 guidance to ensure EACs and associated contractual instruments meet the required standards.</li> <li>Electricity data is obtained and measured through the following hierarchy: <ul style="list-style-type: none"> <li>Actual and/or estimated electricity consumption is provided by utility providers through invoices received (on a regular basis / at a frequency that is dependent on the provider).</li> <li>In situations of unavailable invoices, we use the estimations hierarchy to estimate consumption for those respective months (see estimations methodology below).</li> </ul> </li> <li>Data for the consumption of gas, diesel, other fossil fuels and fugitive refrigerants emissions, are obtained through the following hierarchy: <ul style="list-style-type: none"> <li>Delivery, utility or fuel invoices as obtained by providers, with 100% of the amount calculated as consumed within the reporting period. For fugitive refrigerant emissions, these are recorded during top-ups, with 100% consumption of the top-up amount included within the reporting period.</li> <li>In situations of unavailable invoices, we use the estimations hierarchy to estimate consumption for those respective months (see estimations methodology below).</li> </ul> </li> <li>For some of our smaller offices, our calculations are based primarily on estimations (see estimations methodology below), as these offices constitute under 5% of full-time employees and have been determined to not materially impact the completeness of our Scope 1 and 2 emissions disclosure.</li> </ul>
<p>Scope 2 – Electricity</p>	<p>Purchased electricity (market-based)</p>	
	<p>Purchased electricity (location-based)</p>	

		<p>These include offices in:</p> <ul style="list-style-type: none"> <li>○ Canada (North America)</li> <li>○ Germany (EU)</li> <li>○ Iraq (MENA)</li> <li>○ Kuwait (MENA)</li> <li>○ Libya (MENA)</li> <li>○ Netherlands (EU)</li> <li>○ Palestine (MENA)</li> <li>○ Qatar (MENA)</li> <li>○ Syria (MENA)</li> </ul> <p><b>Internal validation</b></p> <ul style="list-style-type: none"> <li>• All collected data is subject to systematic controls and quality checks. This includes obtaining justification for consumption deviations over 15% year-on-year or month-to-month, as well as spot checks of invoices for transcription errors and other quality control checks.</li> </ul> <p><b>Applying conversion factors</b></p> <ul style="list-style-type: none"> <li>• All collected data and estimations are converted from kWh to tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) to determine activity emissions for the reporting period, segmented as Scope 1 and Scope 2 market-based emissions.</li> <li>• Emission factors are derived from datasets through which we extract the most recent factors: <ul style="list-style-type: none"> <li>○ UK Government GHG Conversion Factors for Company Reporting</li> <li>○ International Energy Agency (IEA) Emission factors</li> <li>○ For Scope 2 Market-based calculations, where available, supplier specific factors are used, and Renewable Energy Certificate (REC) purchases are included. For non-renewable electricity purchases, residual factors are applied where available, and country-based factors are applied where not.</li> </ul> </li> </ul> <p><b>Estimations methodology</b></p> <ul style="list-style-type: none"> <li>• In cases where actual consumption values are available, the data is used to estimate consumption for missing data (average daily consumption as calculated based on actual data, multiplied by the number of days with no data).</li> <li>• If no actual consumption data is available, the following estimations hierarchy is used: <ol style="list-style-type: none"> <li>i. estimate the consumption based on building type and intensity per floor area, as calculated using actual data of sites of the same building type within our reporting boundary.</li> <li>ii. estimate the consumption based on building type and intensity per full-time employee, as calculated using actual data of sites of the same building type within our reporting boundary.</li> <li>iii. estimate the consumption based on the average of building type and location.</li> </ol> </li> </ul>
--	--	--

<p>Scope 3 – Value chain emissions</p>		<p><b>Spend-based method (Exiobase)</b> Exiobase is a multi-regional input-output (MRIO) database used to calculate the environmental impact of monetary value by converting it to equivalent CO2 emissions. Exiobase is mainly utilized when quantity data or appropriate UoMs are not available.</p> <p>Exiobase processes are associated with monetary emission factors expressed as Kg CO2e per euro, which eliminates the need for specific UoMs or UoMs conversion rates as the currency conversion from USD to EUR is automatically processed in the background.</p> <p>The emissions are calculated using Exiobase through the following formula: Emissions= Spend * Inflation rate * Currency conversion rate * Emission factor, where:</p> <ul style="list-style-type: none"> <li>• Spend: Spend amount in USD that will be mapped to a specific Exiobase process</li> <li>• Inflation rate: Monthly inflation rates automatically fetched from Eurostat to adjust the spend to its value in the reporting period.</li> <li>• Currency conversion rate: USD to EUR conversion rate using Hikma Currency rates</li> <li>• Emission factor: determined by the selected mapping process and mapping location</li> </ul> <p><b>Average-data method (Ecoinvent)</b> Ecoinvent is a process-specific database used for life cycle assessment (LCA) and emissions calculations, offering life cycle inventory (LCI) data across various sectors, products and services. It provides detailed mapping processes supporting variant units of measurements.</p> <p>This database can only be used when quantity data with compatible UoMs are available, otherwise, UoMs conversion rates are needed for incompatible UoMs. Consequently, it is most suitable for materials with well-known UoMs such as grams and Kgs or when the material weights data is readily available. The emissions are calculated using Ecoinvent through the following formula: Emissions= Quantity * UoM conversion rate * Emission factor, where:</p> <ul style="list-style-type: none"> <li>• Quantity: the quantity that will be mapped to a specific Ecoinvent process</li> <li>• UoM conversion rate: UoM conversion rate used to convert the quantity UoM to Ecoinvent UoM. Sievo offers a set of international UoMs to be used in Ecoinvent mapping. If these rates are not applicable for the selected quantity's UoM, Sievo can upload specific rates on a material level.</li> <li>• Emission factor: determined by the selected Ecoinvent mapping process and mapping location</li> </ul>
--	--	--

		<p><b>Supplier-specific method</b></p> <p>Supplier-specific method utilizes emission factors provided by suppliers to calculate their emissions, when available. These emission factors can vary in UoMs and may be assigned on either supplier or material level depending on the available data.</p> <p>The relevant data for this process can be gathered through:</p> <ul style="list-style-type: none"> <li>• Direct engagement with suppliers (e.g., meetings or interviews).</li> <li>• Suppliers' annual reports (AR) or sustainability reports (SR).</li> <li>• Sievo's supplier questionnaires.</li> </ul> <p>In 2024, Hikma began transitioning progressively to supplier-specific emissions data in alignment with GHG Protocol, SBTi, and CDP guidance. Hikma's Scope 3 emissions are calculated using the following equation:  Hikma allocated Emissions = (Supplier Upstream Emissions / Total Supplier Revenue) × (Hikma Spend with the Supplier)</p> <p><b>Extrapolation</b></p> <p>It is primarily used to ensure that all unmapped spend is included to provide a comprehensive calculation of our Scope 3 emissions. The extrapolation factor is calculated by dividing the sum of emissions calculated using the above calculation methods by the corresponding spend, considering the full data of the entire period available in the self-service tool</p> <p>The emissions are calculated using Extrapolation through the following formula:</p> <p>Emissions= Spend * Currency conversion rate * Extrapolation factor, where:</p> <ul style="list-style-type: none"> <li>• Spend: Spend amount in USD not mapped to any mapping process.</li> <li>• Currency conversion rate: USD to EUR conversion rate using Hikma Currency rates</li> </ul>
Water		<ul style="list-style-type: none"> <li>• Water consumption data is collected locally and consolidated centrally into the GreenOps sustainability reporting tool for all locations and entities included in our reporting boundary, but also including certain locations due to unavailability of invoices and meter readings, these have been estimated.<sup>2</sup> We have developed in-house tools through which individual locations provide data and supporting documents (i.e. invoices). Water data is entered in local units of measure by sites and converted into m3 for reporting purposes.</li> <li>• Invoices are not pro-rated to the exact month of consumption and can overlap into the next month, but this is applied on a consistent basis across all sites. In situations where invoices do not align with the financial year, the estimations methodology is applied.</li> <li>• If invoices are received ahead of reporting cutoff dates, these are used to replace the estimations methodology.</li> </ul>

<sup>2</sup> US (Creekside), US (Carlsbad), Jordan (Qastal), Jordan (Head Office), Jordan (MENA Building), Jordan (Hikma Academy), Jordan (IT Building), Jordan (Amman Gate), Offices (Hikma France), Offices (India-Mumbai).

		<ul style="list-style-type: none"> <li>• Where there are no invoice sources available, or in situations of inaccurate invoice or third-party meter readings, we apply estimates based on the Company meter readings or calculations specific to the site. Data is based on invoice data or meter readings from both third parties and those owned by Hikma. In some instances, meter readings are obtained by Hikma-owned meters due to irregular or inaccurate invoicing practices by local municipalities. If primary data is not available, estimates are used based on historical trends or other proxy data calculations documented by the site, subject to the estimation's hierarchy below.</li> <li>• In cases of purchase of water from water tankers, consumption is calculated as taking place entirely at the time of purchase.</li> </ul> <p><b>Estimations methodology</b></p> <ul style="list-style-type: none"> <li>• In cases where actual consumption values are available, this data is used to account for the number of days of missing data (average daily consumption as calculated based on actual data, multiplied by the number of days with no data).</li> <li>• If no actual consumption data is available, the estimations hierarchy is used: <ul style="list-style-type: none"> <li>i. estimate the consumption based on previous months' consumption, or of the same month of the previous year, depending on knowledge of the location.</li> <li>ii. estimate the consumption based on building type and intensity per floor area, as calculated using actual data of sites of the same building type within our reporting boundary.</li> <li>iii. estimate the consumption based on building type and intensity per full-time employee, as calculated using actual data of sites of the same building type within our reporting boundary.</li> <li>iv. estimate the consumption based on the average of building type and location.</li> </ul> </li> </ul>
Waste		<p>We measure the amount and type of waste generated and classify all waste by treatment method. Data is collected internally and from relevant waste management authorities where relevant. In situations where data is not available, the estimation methodology is applied. Estimates are also used for smaller offices where no manufacturing, R&amp;D or warehousing takes place. Construction waste (such as for renovation, refurbishment, expansions or infrastructure development) is included in reported data except in cases where the waste is handled by the external construction company.</p>

## 4.7 Appendix

### 4.7.1 Explanations and sources for metrics

Metric	Explanation and source
Scope 1 – Combustion of fuel and operation of facilities	Fuel consumption and fugitive emissions data are collected from sources including invoices, system and equipment readings, and meter readings. This data is converted into tCO <sub>2</sub> e.
Scope 2 (market-based) – Electricity	Market-based emissions are derived from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. Contractual instruments include energy attribute certificates (RECs, GOs, etc.), direct contracts (for both low-carbon, renewable, or fossil fuel generation) and supplier-specific emission rates.
Scope 2 (location-based) – Electricity	A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).
Scope 1 and 2 emissions / Group revenue	The intensity ratio of the aggregate total Scope 1 and 2 emissions (measured for both market-based and location-based figures) per \$ Hikma core total revenue for the corresponding calendar year (as reported in financial statements). Reported as tCO <sub>2</sub> e per \$.
Scope 1 and 2 emissions / headcount	The intensity ratio of the aggregate total Scope 1 and 2 emissions (measured for both market-based and location-based figures) per full-time employees in the calendar year.
UK Office emissions	The aggregate total of Scope 1 and 2 emissions derived from all energy consumption related to the Hikma Head Office located in London during the calendar year, UK; derived from available invoices and meter readings. Reported as both emissions total tCO <sub>2</sub> e and as percentage of total aggregate Group-wide Scope 1 and 2 (market-based) emissions.

### 4.7.2 Emissions factors

Emissions Type	Source
Scope 1 fuels	UK Government conversion factors for company reporting of greenhouse gas emissions published annually by the Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy
Scope 2 electricity (location-based)	UK Government conversion factors for company reporting of greenhouse gas emissions published annually by the Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy  The International Energy Agency annual GHG emission factors for world countries from electricity and heat generation
Scope 2 electricity (market-based)	The International Energy Agency annual GHG emission factors for world countries from electricity and heat generation.  European Residual Mixes, published annually by the Association of Issuing Bodies (AIB), retrieved from <a href="http://www.aib-net.org">www.aib-net.org</a>  Green-e Residual Mix Emissions Rate, published annually by the Center for Resource Solutions, retrieved from <a href="http://www.green-e.org">www.green-e.org</a>

## 5 Operating transparently and ethically

### 5.1 Ethical business conduct

Metric	Definition	Source and data collection methodology
Percentage of employees that have conducted Code of Conduct training	The percentage of full-time employees as calculated on 31 December of the reporting year has completed the mandatory Code of Conduct online training module.	<p>The Code of Conduct training module is shared with all full-time employees through the employee portal 'Connect,' through which employees can complete the training.</p> <p>During the reporting period, a report is generated indicating the percentage of full-time employees that have completed the training.</p>

### 5.2 Responsible value chain

Metric	Definition	Source and data collection methodology
Suppliers screened for social and environmental criteria (percentage of annual spend)	The percentage of suppliers (as expressed through proportion of Hikma's total annual supplier spend) that have received an environmental screening questionnaire that is shared by Hikma with all suppliers.	<p>All suppliers are screened through our third-party onboarding and management tool which evaluates various ethical, legal and financial risks.</p> <p>Additionally, top suppliers are assessed against labour and human rights, ethics, environment and sustainability areas, through our collaboration with full ratings EcoVadis platform along with the EcoVadis IQ+ Vitals platform making up around 75% of procurement spend in 2025.</p>