



## 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