



COMMUNICATION ON PROGRESS REPORT 2009

This report is Hikma Pharmaceuticals PLC's second Communication on Progress Report. It covers January 1st until December 31st 2009 and includes a reiteration of commitment from Hikma's CEO to the UNGC's principles, and incorporates sections of Hikma's Corporate Responsibility Report, Hikma's policies, Hikma's Code of Conduct, and includes the UNGC's 10 universally accepted principles and how they relate to Hikma.



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CEO's letter,

One of our defining characteristics at Hikma is quality, not just product quality, but quality in everything we do. Growth in our business is a constant, but growth while maintaining quality is what we strive for. From here stems the importance of being an active member of the United Nations Global Compact.

Our membership in the UN Global Compact is an important initiative for us as we are committed to aligning Hikma's business with the UNGC's ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. Furthermore, we are supporters of the UNGC's mission of guiding business towards a more sustainable framework for the development, implementation, and monitoring of policies and practices that pertain to these principles.

As Hikma embraces honesty, integrity, and the highest ethical standards, we believe the 10 UNGC principles are parallel to and complement our policies and the way we conduct our business. We commit to investing in the communities we operate in, while preserving the environment, and guarding the wellbeing and education of our employees. We hold respect for all people regardless of their race, religion, gender, or background, simultaneously seeking to maintain true quality in all aspects of our business. These values have been with us since the founding of Hikma in 1978 and will continue to do so.

Hikma's Corporate Responsibility "CR" program had tangible and gratifying results in 2009. Accordingly, building on that, we developed a five year CR strategy, taking us forward from 2010-2015, that tackles the issues relevant to all our communities in a manner that is aligned with Hikma's business and values. The strategy focuses on two main themes, namely- wellbeing and education, with four key platforms – our people, our community, our environment and global welfare and ethics. These platforms reflect Hikma's genuine commitment to its stakeholders and its dedication to fully integrate CR within its business strategy.

We believe the CR Strategy in place will further enhance Hikma's reputation, support both global health and environment agendas, and foster a culture of global community engagement. We continuously aim for Hikma to be internationally a committed and responsible global business.

Said Darwazah
Hikma Pharmaceuticals PLC
Chief Executive Officer



Responsibility

Acting responsibly has been a core value of Hikma Pharmaceuticals since its inception over thirty one years ago. In 2007, Hikma started utilizing the Global Reporting Initiative's (GRI) G3 guidelines, focusing in particular on data collection on employee and labour practices, environmental impacts and community investments. Hikma has been collecting and disclosing this data for two years and the criteria measured and discussed in its Corporate Responsibility report or section of the 2009 annual report reflects actions taken and data measured in 2008. Our challenge at Hikma is to continue to improve upon our performance in all our business units.

Our Core Values

- Honesty, integrity and the highest ethical standards
- A focus on quality in all aspects of our business
- Dedication to the welfare and education of our employees
- Investment in the communities in which we work
- Care and preservation of our environment
- Respect for all people, regardless of race, religion, gender or background

2009 achievements

Corporate responsibility is and always has been an essential part of the Hikma way. Strong commitments to our community and the environment have helped to make Hikma what it is today – a highly successful international pharmaceutical company with a reputation for integrity.

Over the last three years we have sought to formalize our approach to CR to ensure that it is increasingly embedded in the way we conduct business. We began this process in 2006 by creating a Group-wide CR program and introducing an official Hikma Code of Conduct. The following year, we built on that progress and in 2008 established a Board-level steering committee and an expanded working committee.

In 2009, we increased the number of CR Champions across the Group. The champions are focused on raising awareness of social, health and environmental issues in our business. In employee and community matters, we gave particular emphasis to four events: the Hikma Global Volunteering Day, 'You are Hikma', Hikma's Day against Breast Cancer and Hikma's Day against Diabetes. Volunteering is an important part of Hikma's CR approach and the annual Global Volunteering Day focuses each year on a different healthcare theme. We also spent time in 2009 developing and refining the five-year strategy for CR, endorsed and supported by our executive and non-executive Board members.





From our origins in Jordan right through to our global reach today, we have strived to behave responsibly and be a valued member of every community we operate in. Our people help to sustain Hikma's responsible heritage by bringing our values to life every day and we are proud of each and every one of them for being part of this.

Aligning business and CR

We believe we owe a duty of care towards our employees, our customers, our suppliers and the wider community. Our commitment to operating responsibly has and will continue to differentiate us from our competitors. It has helped us to build our strong brand and, ultimately, it will help us to drive sales and to operate more efficiently.

At the end of 2008, we undertook a significant review of our CR governance structure in line with our ongoing aim of embedding CR throughout the Hikma group and driving the CR program from the board and senior management to operational functions. This year was the first full year of operations for the Board-Level Steering Committee and CR Working Committee.

Facilitated by the Corporate Communications and CR team, the Group is responsible for agreeing strategy, endorsing activities, reviewing activity reports and assessing progress. This approach provides coherence and economies of scale as well as a framework to share best practice across our markets.

On the ground, CR champions work to implement our strategy across the Group. At the end of 2009, we had a team of ten CR champions, each dedicated to one of our main manufacturing facilities. These Champions work to deliver initiatives, engage with and report to country managers and encourage and motivate employees to make CR part of their day-to-day operations. All our Champions are full time employees with a range of experience and expertise, which ensures that CR remains, focused on business benefit and is embedded in employees' working lives.

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Reporting

We have continued to use the Global Reporting Initiative's G3 guidelines as a benchmark tool. Building on our work in previous years, we have focused in particular on community investment, environmental impacts, employees and labor practices.

Many of our subsidiaries began reporting against GRI metrics for the first time in 2009, including Egypt, Germany, Italy, Jordan's APM facility and Saudi Arabia. We have also started to use dedicated reporting software, underlining our commitment to the GRI approach and enhancing comparative reporting in the future.

Our Stakeholder Engagements:

Hikma acknowledges and strives to exceed its responsibilities as a leading MENA business. Hikma plays a leading role, actively participating in and contributing to society and to the communities in which it operates in all its locations, to create a strong local footprint and relevance for its people, its customers and its stakeholders.

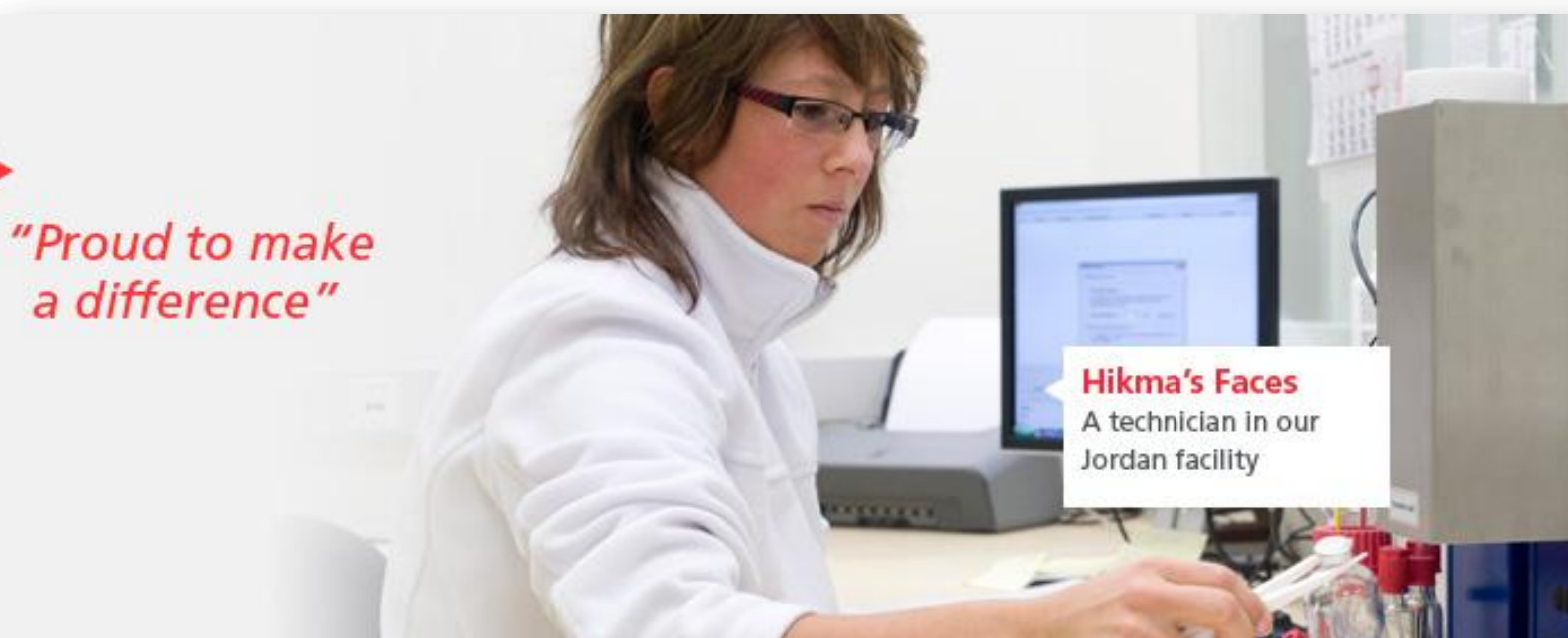
CR Governance:

Senior responsibility for CR sits with the Vice-Chairman of the company Mr. Mazen Darwazah who reports to the board on CR issues across the group twice a year; 2009 was also the first full year of operations for the dedicated high level CR committee, chaired by Mr. Darwazah and including:

- A Non-Executive Director
- Group Vice-President of Human Resources
- Vice-President of Corporate Finance
- Vice-President of API
- Vice-President of MENA Operations
- Vice-President of Europe Operations
- General Manager of West-ward
- Director of Corporate Communication
- Director of Investor Relations
- General Counsel

Code of Conduct:

We are making progress with our Hikma Code of Conduct which we started implementing in 2006; in 2009 the Hikma Code of Conduct was incorporated into the induction process for new employees.



People (Principles 1, 2, 3, 4, 5, 6 of the Universally Accepted Principles)

We value our people as our most important asset. To successfully grow our business, we need to develop and reward our people.

With our commitment to maintaining the highest quality standards and cGMP (current good manufacturing practices), technical training has always been a top priority across the group. In 2008, analysis of GRI data helped us to identify areas of need for further training. On this basis, we targeted an increase in non-technical training for 2009. In line with these targets and in recognition of the important role CR plays within the Group, a two-day training workshop was held in 2009, focusing on developing the champions' knowledge and understanding of CR and discussing future strategic aims. Of course, we also maintained our Continuing Education Scheme, which supports employees in full funded further education programs. We also started an employees' children scholarship scheme, whereby several excelling high school graduates whose parents are employed at Hikma can apply for university education funding. This was kicked off in 2009 and will continue to be implemented on an annual basis according to certain criteria.

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Health and safety

Health and safety lie at the core of our business. We cannot operate successfully and deliver quality products without ensuring the health and wellbeing of our employees.

Communication of Hikma's Health and Safety Policy – to meet and, where possible, exceed all the labor laws and regulations with regards to workplace health and safety in all the countries in which we operate – was prioritized during the year. We are committed to continuous improvements in health and safety and will be working towards the Group-wide implementation of OHSAS ISO 18001, the occupational health and safety management system, or its equivalents in 2010.

Our Health and Safety Policy is becoming more widely implemented across the Group. Developed in 2007 and launched in 2008, the policy involves the appointment of an HSE supervisor in each business unit. The appointment process continued during 2009. Health and safety training was offered to all employees across the Group in 2009. This was part of a commitment made in 2008 and we are proud to have achieved this goal. We have also made significant progress on absenteeism and occupational injury rates. Occupational injury rates were less than 1 per cent in 2009 and, in many countries, a zero rating was achieved. We hope to make further improvements in 2010, following the launch of an explicit program targeting zero level occupational injuries.

Promoting the health and safety of our employees is clearly aligned with our key business objectives – to deliver better health to the markets we serve. In 2009, our businesses focused on developing a strong presence in the growing fields of heart disease, diabetes and cancer. Sponsoring symposia and conferences for doctors, we continue to build a strong knowledge base in the MENA region.

In 2009, two important events were organized to raise awareness of cancer and diabetes among our employees and our communities and to promote healthier lifestyles – Hikma's Day against Breast Cancer and Hikma's Day against Diabetes.

The Day against Breast Cancer was a Group-wide event with participation from all business units. Free breast examination and mammograms were offered to female employees in some business units. Other initiatives included poster and brochure campaigns, awareness e-mails, lectures on prevention and fundraising in support of cancer research.

A similar approach was taken with our Day against Diabetes. Awareness of the risks of diabetes was heightened through lectures and poster campaigns at a number of Hikma business units. In others, blood sugar analysis tests were offered to employees and in the US, employees took part in the American Heart Foundation's Heart Walk campaign.

Our excellent product portfolio covering key therapeutic areas is focused on the patient. Our strong product pipeline, with 647 pending approvals across all regions and markets, demonstrates our commitment to continuing to improve people's lives.



Quality Policy

Hikma Pharmaceuticals is an ethical company manufacturing drug products for health services. As such, Hikma must at all times, ensure the quality of its products. The Total Quality system at Hikma is designed to assure that each item produced is consistently of a level of quality which meets applicable specifications and will satisfy customer's needs and expectations as well as statutory and regulatory requirements. Hikma Pharmaceuticals, its officers and employees are committed to Total Quality throughout the organization. Our commitment is to provide Quality of Service, Quality of Workmanship, and Quality of Product to our customers and to our co-workers who are our internal customers.

The Total Quality Policy of Hikma Pharmaceuticals is to meet our customers' expectations through working towards error free performance by each employee, sales representative and supplier.

The Total Quality Policy of Hikma Pharmaceuticals is based on continuous improvement.

The responsibility for carrying out this Quality Policy lies with each individual associated with Hikma Pharmaceuticals. It is the responsibility of Hikma management to continuously follow up and update the Quality Policy and Quality System. Quality system is implemented in the company through providing adequate training programs and resources.

Ethics (Principle 10 of the universally accepted principles)

Hikma is committed to the highest ethical principles and we endeavor to ensure that all our employees conform to the highest possible standards of integrity and honesty.

We are members of the Global Compact, and are committed to aligning our operations and strategies with their ten principles in the areas of human rights, labor, environment and anti-corruption. Hikma remains committed to upholding these principles and embedding them into its operations. In 2009, further steps were taken to train existing staff and all new joiners now receive guidance on our commitment to the Global Compact as part of their induction program.

We now audit all our main suppliers with regard to their employment practices. The practice was initiated two years ago and we constantly seek to improve communication with suppliers and gain more feedback from them. In 2009, 32 suppliers responded to our audit out of 47 suppliers.

We are also making progress with our Code of Conduct. In 2009, more than 65% of all employees signed the code and it was incorporated into the induction process for new employees.

In 2009, we also updated our “Equal Treatment of Employees & Harassment” policy, which states that we do not condone favoritism or inequality in any shape or form.

In 2009, Hikma Pharmaceuticals was awarded the Best Company in an Emerging Market Award at the annual Scrip Awards. This award is testament to the continued progress the Company is making to be a leader in the MENA region across all areas of its business including CR.





Community

Active and effective engagement with the community is an essential part of our CR strategy. The Hikma Global Volunteering Day, held in April each year, aims to encourage employees across the Group to invest time in their local communities. The number of participants more than doubled this year – from 500 in 2008 to 1,200 in 2009. Aligned with our business objectives, the Volunteering Day aims to support better health in our local communities.

This year, staff worldwide participated in a variety of charitable activities, including donating blood, cleaning hospitals, kindergartens and orphanages and spending time with the children, and raising money for research.

Of course, we are active in our communities throughout the year through a number of other initiatives, including providing funding for students in the fields of Technical Pharmacy and Applied Medical Sciences. The time, interest and funding that we provide to local students is a real indication of our ongoing commitment to the communities in which we work. Over the long term, these efforts should also help to ensure that we can continue to attract well-trained employees in each of the markets in which we are operating.

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Across the MENA region, Hikma volunteers also supported poor local communities, providing financial and practical assistance to those in need. In the United States, fundraising was undertaken and support was given to local homeless groups, disadvantaged families and the elderly.

Hikma has also partnered with the Global Fund to fight Aids, TB and Malaria. In 2009, the Company and the Samih Darwazah Foundation donated the seed money to establish the MENA Chapter of the Global Fund. This is located in Amman Jordan, and will operate across the Middle East and North Africa. A board of directors has been selected, an executive director has been hired and in 2010, the Chapter will launch its first awareness and advocacy campaigns.

Across the Group, we continued through 2009 to give generously to local causes, donating medicines to NGOs and communities in crisis. Our employees also volunteered their time to many NGOs worldwide.





Environment (7, 8, & 9 of the universally accepted principles)

Hikma, like every business, has an impact on the environment, both locally and globally. We are working towards limiting that impact by educating our staff and encouraging them to think about their effect on the environment in everything they do. We are also actively exploring ways in which we can reduce carbon emissions across the Group and reduce waste, particularly harmful waste.

Hikma's Environmental Policy five key pledges:

1. To integrate our environmental policy across the Group;
2. To reduce our impact on climate change;
3. To comply with environmental legislation and regulation in every country in which we operate;
4. To strive for continuous improvement in our environmental protection; and
5. To implement ISO 14001 or its equivalent at every Hikma production site

In 2008, we made good progress in this area, obtaining the ISO 14001 certification at our AMC facility and our Hikma Jordan facility. In 2009, both facilities gained the continuity certificate. In 2010, we are committed to continuing our work on ISO 14001 and exploring more international accreditations.

GRI data collection continued to heighten awareness of energy usage in 2009 and helped to identify ways to drive a reduction in energy consumption across our business units. The collection and analysis of data improved considerably in 2009 and we expect to report further progress in 2010.

In many units, real advances have been made in energy and water consumption since 2008. In Algeria, electricity consumption fell 11% year on year from 1.5 million KWh to 1.3 million KWh while diesel consumption was 21% lower at 57,000 liters over the same period. The business also intends to drive forward a more aggressive recycling program and incinerate hazardous waste in a more effective manner. Hikma Jordan and AMC reduced diesel consumption by at least 10%, thanks to a concerted effort to be more energy efficient.

Hikma Jordan's water consumption fell dramatically, from 44,674 cubic meters to 27,168 cubic meters, Portugal reduced water consumption by 15% to 74,431 cubic meters and Saudi Arabia cut water consumption by 16% to 47,430 cubic meters.

Across the Group, Company vehicles have been upgraded to more environmentally efficient options. In addition, there is an ongoing and regularly reinforced awareness campaign, which stresses Hikma's desire to reduce its environmental impact and stresses the part that each and every employee can play in this endeavor. We will be reporting back on our progress to all our stakeholders.

Following initial work in 2009, Hikma will be assessing its carbon emissions in Jordan during 2010. This analysis is based on the Carbon Disclosure Project framework and will provide valuable insights across the Group on how to measure our emissions and take steps to reduce our emissions as a Group in the coming years.

Moving forward – our five-year CR plan

We have designed a five-year plan taking us from 2010 to 2015 for Corporate Responsibility. This revolves around two broad themes, wellbeing and education. Wellbeing is intrinsically linked to our role in the pharmaceutical industry and our core duty of care to those around us. Education is integral to the effective development of the Company and the communities we serve. These themes will be a reference point for our CR efforts over the next five years and within this framework, we have created four key areas of focus: our people, our community, our environment and global welfare and ethics, which reflect our awareness of the need to enhance health and wellbeing wherever we operate and wherever we do business. While we have implicitly recognized these areas as being of crucial importance in the past, explicit recognition will, we believe, allow us to reinforce our efforts to drive CR internally and on the world stage.



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Hikma Platforms

<i>Community</i>	<i>People</i>	<i>Environment</i>	<i>Global Welfare&Ethics</i>
Hikma does not exist in isolation. It wishes to engage in its local communities, recognizing the importance of establishing a strong community footprint in countries of operation	Our people are our greatest asset. They are ambassadors for the Company and we aim to support them as fully as possible, in terms of training, welfare, recognition and supporting diversity	Mitigating our environmental impact should be offered as a standard by Hikma as a company. We should promote a sustainable presence in our communities through recycling, waste reduction and energy efficiency	Hikma should encourage all counterparties to adopt the policies and behaviors of Hikma, and to support the high levels of ethical business practice undertaken by Hikma
<i>Aim</i>			
Building our brand	Making us stronger	Efficient use of resources	Preferred partner for business
<i>Acting responsibly</i>			
<ul style="list-style-type: none"> - Partnership with the Jordan river foundation - Global Volunteering Day - Fundraising for local homeless groups, disadvantaged families and the elderly 	<ul style="list-style-type: none"> - Professional and technical training and development - Transparent remuneration structure with job grading and leveling - Compliance with H&S regulations 	<ul style="list-style-type: none"> - "You are Hikma" - Energy and water conservation, recycling and waste management - Solvency recovery pilot 	<ul style="list-style-type: none"> - Member of UN Global Compact - Member of PACI - Audit of main suppliers' employment practices
<i>Wellbeing</i>			
<ul style="list-style-type: none"> - Partnering with the Global Fund to fight AIDS, TB and Malaria - Distribution of free medicines - Local fundraising for research and treatment of chronic diseases 	<ul style="list-style-type: none"> - Hikma's day against breast cancer - Hikma's day against Diabetes - Free breast exams and mammograms for all employees 	<ul style="list-style-type: none"> - Local clean water initiatives - Focus on hazardous waste reduction 	<ul style="list-style-type: none"> - Stakeholder engagement - Adherence to highest quality standards across our global business
<i>Education</i>			
<ul style="list-style-type: none"> - Funding students in the fields of Technical Pharmacy and Applied Medical Sciences - Educational bursaries - Community open days at Hikma - Internships and work experience 	<ul style="list-style-type: none"> - Staff education seminars - Awareness sessions on key diseases - Health and safety training for all employees 	<ul style="list-style-type: none"> - Environmental awareness lectures - Awareness campaigns - Staff training 	<ul style="list-style-type: none"> - Staff training on Global Compact principles - Incorporating Code of conduct in induction training
<i>GRI reporting</i>			
<ul style="list-style-type: none"> - EC1: direct economic value generated (including revenues, costs, donations, investments) - EC8: development and impact of infrastructure investment for public benefit 	<ul style="list-style-type: none"> - LA7: rates of injury, disease, lost days, absenteeism - LA10: average hours of training per employee per category - SO3: percentage of employees trained in anti-corruption policies 	<ul style="list-style-type: none"> - EN3: direct energy consumption - EN8: total water withdrawal - EN22: total weight of waste 	<ul style="list-style-type: none"> - PR1: life cycle stages in which H&S impact of products are measured for improvements - HR2: percentage of suppliers/contractors undergone human rights screening



The Global Compact 10 Universally Accepted Principles

Principle One:

Businesses should support and respect the protection of internationally proclaimed human rights

Principle Two:

Businesses should make sure that they are not complicit in human rights abuses

Commitment

Hikma conducts its business with high ethical values and in compliance with applicable local, state, federal, and foreign laws.

Hikma Code of Conduct Policy:

It is the policy of Hikma worldwide to be an equal opportunity employer, to compete fairly and to operate with a high standard of ethics.

The Hikma code of conduct describes this policy and must be applied by all Hikma employees in all companies.

The Dignity Principle from Hikma's Code of Conduct states the following:

- **Respect for the Individual**

- Respect the dignity and human rights of others.
- Adopt work practices that respect employees' dignity and human rights.
- Prevent any kind of harassment in the workplace.
- Prefer suppliers and partners whose employment practices respect dignity and human rights.

- **Health and Safety**

- Protect human health and safety.
- Ensure that products and services sustain or enhance customer health and safety.
- Protect employees from avoidable injury and illness in the workplace.
- Provide a work environment that is free from substance abuse.
- Prefer suppliers and partners whose work practices respect international labor standards on health and safety.

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- **Privacy and Confidentiality**
 - Respect customers' privacy; protect confidential customer information within legal and regulatory frameworks.
 - Respect employees' privacy; protect confidential employee information within legal and regulatory frameworks.
- **Use of Force**
 - Abstain from directly or indirectly using forced or child labor.
- **Association and Expression**
 - Recognize employees' right to free association and collective bargaining.
 - Respect customers' cultures.
 - Respect local cultures.
- **Learning and Development**
 - Assist employees in developing skills and knowledge.
 - Create employment opportunities that enhance human development.
- **Employment Security**
 - Safeguard employment and employability.

Policies, Systems, Processes and Programs

The process for monitoring the above is as follows:

Corporate Communication Department:

- Develop and update the code of conduct
- Monitor the application in all Hikma divisions
- Annually distribute the code of conduct to all corporate employees and collect the signed receipts
- Annually distribute the code of conduct to all managers in the division and collect the signed receipts. In addition, employees in sensitive positions, such as purchasing and sales should also receive and sign the receipts

CEO:

- Approves the code of conduct and appoints the Compliance Committee.

Managers Worldwide:

- Understand the code of conduct and explain it to their employees

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The Company's Chairman:

- Appoints a Corporate Compliance Committee to administer, update and enforce the Code. Ultimately, the Board of Directors of the Company must ensure that the Corporate Compliance Committee fulfils its responsibilities.

Administration programs:

- The first cornerstone of Hikma social responsibility is that it cares for its employees and their families. Hikma provides decent income and benefits including but not limited to special child care assistance programs to working mothers and employment of handicapped persons.
- Respect for the Individual:
 1. Respect the dignity and human rights of others.
 2. Adopt work practices that respect employees' dignity and human rights.
 3. Prevent any kind of harassment in the workplace.
 4. Prefer suppliers and partners whose employment practices respect dignity and human rights.
- Respect employees' privacy; protect confidential employee information within legal and regulatory frameworks
- Employment Security: Safeguard employment and employability.

Health and safety programs:

1. Protect human health and safety.
2. Ensure that products and services sustain or enhance customer health and safety.
3. Protect employees from avoidable injury and illness in the workplace.
4. Provide a work environment that is free from substance abuse.
5. Prefer suppliers and partners whose work practices respect international labour standards on health and safety.

Actions

- 2008: signing of code of conduct by Hikma management worldwide
- 2009: signing of code of conduct by Hikma management worldwide and all new Hikma employees

Performance

Since 2009, Hikma reported on the following GRI indicators:

- LA7: rates of injury, disease, lost days, absenteeism
- LA10: average hours of training per employee per category
- HR2: percentage of suppliers/contractors undergone human rights screening

Principle Four:

Businesses should uphold the elimination of all forms of forced and compulsory labour

Commitment

Labour Standards

Hikma Pharmaceuticals has always adopted standards that are consistent with established and globally accepted labour requirements and this is evident in all of Hikma's subsidiaries. Ensuring our employees are properly taken care of is one of the core values and principles that Hikma was built on. As a matter of fact, Hikma policies meet or exceed the labour laws in all the countries it operates in.

Policies, Systems, Processes and Programs

Hikma's Code of Conduct specifically states that the company will "abstain from directly or indirectly using forced or child labour" and will not deal with any supplier who does not honour international labour standards. Hikma "prefers suppliers and partners whose work practices respect international labour standards" (Hikma Code of Conduct).

Furthermore, Hikma commits itself, at a minimum, to abiding by the local labour laws in each of its locations and, at most times, exceeding them.

Actions

Hikma audits all its main suppliers in regards to their employment practices. The practice was initiated three years ago and Hikma seeks to improve upon its record. In 2008, Hikma received responses from 28 suppliers which constitute less than 20% of the audits sent out. In 2009, 32 out of the 47 audited suppliers responded.

Performance

To ensure all Hikma employees are aware of these standards and abide by them, working with preferred suppliers was incorporated in the Code of Conduct which has been in effect since 2006. In 2008, the Code of Conduct was updated and released to all Hikma managers across the Group. Over 60% of Hikma managers signed the Code of Conduct in 2008. In 2009, the code of conduct was incorporated in the induction process for all new employees.

Hikma reports on the following GRI indicators:

- SO3: percentage of employees trained in anti-corruption policies
- HR2: percentage of suppliers/contractors undergone human rights screening

Principle Five:

Businesses should uphold the effective abolition of child labour

Commitment

Labour Standards

Hikma Pharmaceuticals has always adopted standards that are consistent with established and globally accepted labour requirements and this is evident in all of Hikma's subsidiaries. Ensuring our employees are properly taken care of is one of the core values and principles that Hikma was built on.

Policies, Systems, Processes and Programs

Hikma's Code of Conduct specifically states that the company will "abstain from directly or indirectly using forced or child labour" and will not deal with any supplier who does not honour international labour standards. Hikma "prefers suppliers and partners whose work practices respect international labour standards" (Hikma Code of Conduct).

Furthermore, Hikma commits itself, at a minimum, to abiding by the local labour laws in each of its locations and, at most times, exceeding them. The labour laws in all the countries Hikma operates in prohibit the employment of minors under the age of eighteen.

Actions

Hikma audits all its main suppliers in regards to their employment practices. The practice was initiated two years ago and Hikma seeks to improve upon its record. In 2008, Hikma received responses from 28 suppliers which constitute less than 20% of the audits sent out. In 2009, 32 out of the 47 audited suppliers responded.

Performance

To ensure all Hikma employees are aware of these standards and abide by them, working with preferred suppliers was incorporated in the Code of Conduct which has been in effect since 2006. In 2008, the Code of Conduct was updated and released to all Hikma managers across the Group. Over 60% of Hikma managers signed the Code of Conduct in 2008. In 2009, the code of conduct was incorporated in the induction process for all new employees.

Hikma reports on the following GRI indicators:

- SO3: percentage of employees trained in anti-corruption policies
- HR2: percentage of suppliers/contractors undergone human rights screening

Principle Six:

Businesses should uphold the elimination of discrimination in respect of employment and occupation

Commitment

Hikma is committed to providing employees with an environment free of all sorts of discrimination. Hikma commits itself to “practice non discrimination and provide equal employment opportunities” (Code of Conduct).

Policies, Systems, Processes and Programs

Fairness Principle from the Hikma Code of Conduct

- Fair Dealing
 1. Deal fairly with all parties.
 2. Deal fairly with minority share owners.
 3. Treat customers fairly in all aspects of transactions.
 4. Offer fair and reasonable compensation.
 5. Deal fairly in all activities, including pricing, licensing and rights to sell.

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- Fair Treatment

1. Practice nondiscrimination and provide equal employment opportunity.
2. Engage in free and fair competition.
3. Refrain from colluding with competitors on prices, bids, and output or market allocations.
4. Require suppliers and partners to refrain from bribery and improper payments.
5. Do not retaliate against employees who report violations of law or company standards.

Actions

As evidence of its commitment to providing a discrimination free environment, Hikma introduced an “Equal Treatment of Employees & Harassment” policy in 2004. The policy was updated in 2009, and states that we do not condone favoritism or inequality in any shape or form.

Hikma believes “in the equal treatment of employees and does not condone favouritism or inequality in any shape or form. Hikma does not discriminate based on a person’s race, color, religious creed, age, sex, marital status, national origin, present or past history of mental or physical disability and any other factors not related to a person’s ability to perform a job” (Equal Treatment of Employees & Harassments Policy and Procedure).

Performance

In 2009, the Equal Treatment of Employees & Harassments policy was sent to all managers across the Group who in turn were asked to circulate the policy to their employees and update their policies manual last reviewed in 2004.

Hikma reports on the following GRI indicators:

- S03: percentage of employees trained in anti-corruption policies
- HR2: percentage of suppliers/contractors undergone human rights screening

Principle Seven:

Businesses should support a precautionary approach to environmental challenges

Commitment

Hikma strives to ensure the adaptation of environmentally friendly processes in all its plants across the Group whenever possible.

Along these lines, Hikma is committed to fulfilling the ISO 14001 Requirements or its equivalent.

Policies, Systems, Processes and Programs

The Hikma environmental policy includes compliance with the environmental legislations, prevention of pollution, and the continual improvement of the Environmental Management System, all the related SOPs, and the environmental programs.

Actions

Actions taken to ensure the optimal results for Hikma's environmental policy include training employees on the environmental policies and all the related SOPs, periodic internal audits, management review meetings, environmental programs such as reducing hazardous and non hazardous waste, and continuity for the ISO 14001 certificate.

Performance

Our environmental impact is assessed on yearly basis through our Global Reporting Initiative. Also, through complying with the requirements needed for the ISO 14001 certificate. Targets were achieved in waste reduction and emission reduction .e.g. non hazardous waste was reduced by 16% in 2009 (base year 2008), hazardous waste was reduced by 7% in 2009 (base year 2008), reducing diesel consumption in 2009 by 78% (base year 2008).

Hikma reports on the following GRI indicators:

- EN3: direct energy consumption
- EN8: total water withdrawal
- EN22: total weight of waste

Principle Eight:

Undertake initiatives to promote greater environmental responsibility

Commitment:

Hikma is committed to promoting environmental responsibility and utilizing environment-friendly processes in all its plants across the Group whenever possible.

This commitment can be seen in several official documents such as the Code of Conduct, Environmental policy, and the company's Annual Report.

"We aim to minimize our impact on the environment where possible through integrating our environmental policy into all areas and activities at Hikma" (Environmental Policy Statement, 2007).

Hikma will "adhere to environmental laws and standards domestically and internationally. Protect, and where possible, improve the natural environment, and prefer partners who observe applicable environmental standards" (Code of Conduct).

Policies, Systems, Processes and Programs

Hikma deploys reporting systems that aim to reduce energy consumption, waste, greenhouse gas emissions, water consumption, since what gets measured gets managed. These systems include the Global reporting initiative, the Carbon Disclosure Project, and the International Finance Corporation IFC audits.

Actions

Previously in 2008, and as part of its commitment to its environmental principles, Hikma finalised the following:

1. Installation of a solar system for hot water usage in the Jordan Facility.
2. Calibration of Hikma Jordan's boiler system to reduce diesel consumption and reduce CO2 emissions.
3. Amendment of overnight lighting procedures at West Ward's warehouses in the US.
4. Switching to low energy light bulbs in Saudi Arabia and Portugal and in new facilities.

Hikma Jordan facility obtained the ISO 14001 certification and AMC (a Hikma subsidiary in Jordan) has both the ISO 14001 certification as well as OHSAS 18001 certification. Hikma deploys Periodic monitoring for direct and indirect emissions by direct measurement and indirect measurement through KPIs (key performance indicators) as well as water testing (potable & waste water).

Performance

Hikma reports on the following GRI indicators:

- EN3: direct energy consumption
- EN8: total water withdrawal
- EN22: total weight of waste

Principle Nine:

Encourage development and diffusion of environmentally friendly technologies

Commitment:

Hikma is committed to promoting environmental responsibility and utilizing environment-friendly processes when possible.

This commitment can be seen in several official documents such as the Code of Conduct, Environmental policy, and the company's Annual Report.

"We aim to minimize our impact on the environment where possible through integrating our environmental policy into all areas and activities at Hikma" (Environmental Policy Statement, 2007).

Hikma will "adhere to environmental laws and standards domestically and internationally. Protect, and where possible, improve the natural environment, and prefer partners who observe applicable environmental standards" (Code of Conduct).

Policies, Systems, Processes and Programs

Hikma is committed to fulfilling the ISO 14001 Requirements or its equivalent in all its facilities.

Performance

Hikma reports on the following GRI indicators:

- EN3: direct energy consumption
- EN8: total water withdrawal
- EN22: total weight of waste

Principle Ten:

Businesses should work against corruption in all its forms, including extortion and bribery.

Hikma does not tolerate corruption in any shape or form and has undertaken strict measures to ensure the compliance of all employees with these standards.

Commitment

Hikma is committed to ensure all business dealings are conducted in a fair manner and has a zero tolerance policy to all forms of bribery and corruption. This is done through the partnership with PACI (Partnering against Corruption Initiatives) as well as internal systems based on the company's Code of Conduct.

Hikma also has policies and procedures to counter bribery and corruption under the Share Dealing Code and Disclosures Policies.

"Hikma does not condone or participate in bribery in any form of corruption and refrains from using suppliers who utilize these methods" (Code of Conduct).

Policies, Systems, Processes and Programs

Citizenship Principle from the Hikma Code of Conduct

- Law and Regulation
 1. Obey applicable laws and regulations.
 2. Do not obstruct legal rights of share owners.
 3. Adhere to competition laws.
 4. Adhere to environmental laws and standards domestically and internationally.
 5. Adhere to the letter and spirit of tax laws and make timely payments of tax liabilities.
- Public Goods
 1. Do not condone or participate in bribery or other forms of corruption.
 2. Protect and, where possible, improve the natural environment.
 3. Promote sustainable development.
 4. Ensure that products and services sustain or enhance the natural environment.
 5. Prefer suppliers and partners who observe applicable environmental standards.

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- Cooperation with Authorities
 1. Cooperate with public authorities to address threats to public health and safety from the company's products.
 2. Cooperate with employee groups, government and others to address employment dislocations created by business decisions.
- Political Noninvolvement
 1. Recognize government's obligation and jurisdiction concerning society at large.
 2. Avoid improper involvement in political activities and campaigns.
- Civic Contribution
 1. Contribute to the economic and social development of local communities and the world.
 2. Develop innovations in technology, products, processes and practices to the best of the Company's ability.
 3. Contribute to charitable causes.
 4. Support employee involvement in civic affairs.
 5. Take a leading role in preserving and enhancing the physical environment.

Actions

As part of its Code of Conduct, Hikma is committed to "cooperate in all efforts to eliminate bribery and corruption." There is also a whistle blowing policy incorporated in the Code of Conduct that refrains Hikma from retaliating against any employee who reports violations related to the law or company standards. In order to encourage employees to report any suspicious activities, Hikma has created an anonymous hotline for employees to use. Moreover, an open door policy is encouraged by Hikma management and top management is accessible to all employees either in person or through emails. Furthermore, an "Ask Your CEO" scheme was introduced in 2009, whereby several face-to-face meetings were set up between interested employees and the CEO for a frank dialogue and exchange of ideas.

As Hikma is publicly listed under the London Stock Exchange, it continues to implement its Share Dealing Code and Disclosure policies that follow strict guidelines regarding share dealing and prohibit the use of internal information for personal gain or insider trading. There is ongoing education underway on this policy to ensure all employees are aware and in compliance of it. Currently, to ensure no insider information is used in share dealings, Hikma issues a closed period for employee share dealing two times a year, usually 3 months prior to disclosing company results, and this is communicated clearly to all employees across the Group.

Performance

Hikma constantly works with its suppliers to understand their ethical policies and practices and does this through sending an audit questionnaire to all suppliers to ensure compliance with international standards (ethically as well in relation to environmental and human right standards). In 2009, 32 out of the 47 audited suppliers responded.

Hikma reports on the following GRI indicators:

- S03: percentage of employees trained in anti-corruption policies