ESG 2021 Overview

Horizon Therapeutics plc

December 2021
Overview of Key ESG Factors for Horizon

**ESG at Horizon is Overseen by Our Nominating and Corporate Governance Committee**

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We go to incredible lengths at Horizon to impact lives and make the world a better place. The work we do benefits the patients who use our medicines, their caregivers and treating physicians – and it also benefits all of us who work at Horizon, contributing to our longer-term success and sustainability.

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<td>We employ strong corporate governance principles and practices</td>
<td>Our purpose is to build healthier communities, urgently and responsibly</td>
<td>We make health a priority, not a privilege</td>
<td>For us, it’s personal – we want to make a difference and are consistently recognized for our engaged employees</td>
<td>We work rigorously to ensure the safety and quality of our medicines</td>
<td>We aim to conduct our business in a responsible way that minimizes environmental impacts</td>
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We go to incredible lengths at Horizon to impact lives and make the world a better place. The work we do benefits the patients who use our medicines, their caregivers and treating physicians – and it also benefits all of us who work at Horizon, contributing to our longer-term success and sustainability.
Our Governance:
Our Board is Substantially Independent with a Balanced Mix of Tenure, Skills and Experience

• Strong belief that maintaining a diverse membership enhances the Board’s deliberations and enables the Board to better represent Horizon’s constituents

• 9 Board members

• 2 female directors; 1 minority director

• 3 new directors since 2017

• Predominantly independent

• Balance of skills and experience

• All have pharmaceutical experience

• Diverse in terms of experience, education, talents, gender and race

• Geographically diverse, with members from six countries

• Range of newer and longer-tenured directors
**Our Governance:**
We Employ Strong Corporate Governance Practices

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<th>Continuous Improvement</th>
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<td>• 8 out of our 9 directors are independent</td>
<td>• Regular executive sessions of independent directors</td>
<td>• Majority voting for elections of directors</td>
<td>• Annual Board and committee self-evaluations</td>
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<td>• All Board committees are composed solely of independent directors</td>
<td>• Lead independent director with clearly delineated duties</td>
<td>• Shareholder ability to call extraordinary general meeting</td>
<td>• Risk oversight by the Board and committees</td>
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<tr>
<td>• Lead independent director with clearly delineated duties</td>
<td>• Independent compensation consultant reporting directly to Compensation Committee</td>
<td>• Directors may be removed by ordinary resolution with majority vote of the shareholders</td>
<td>• Committed to ongoing shareholder engagement efforts; investor feedback has influenced improvements to our governance and disclosure</td>
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<td>• Diverse Board in terms of experience, education and talents supported by the Board’s diversity policy</td>
<td>• Board and committees may engage outside advisors independently of management</td>
<td>• No blank check preferred stock issuance without shareholder approval</td>
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(1) Equity grants since 2017.

Our Corporate Governance Guidelines are available on the Corporate Governance Overview page of our website (https://ir.horizontherapeutics.com).
We Are Committed to Active Shareholder Engagement

• We value the views of our shareholders
• We conduct outreach to ~60% or more of our shareholders at least once a year; have had significant and meaningful engagement

Investor feedback has influenced and shaped our governance, compensation program, ESG program and disclosure:

– Adoption of incentive compensation recoupment policy
– Shift to annual long-term incentive grants from “front-loaded” equity awards intended to cover multiple-year periods
– Greater balance between short-term and long-term performance metrics
– Enhancement of our proxy statement, including the CD&A discussion and the addition of a summary to better illustrate our governance and how our pay decisions are tied to performance

• ESG engagement: Conducted initial ESG outreach in 2019 with our top shareholders representing ~30% of our outstanding shares to discuss our ESG disclosure and ask which factors they consider most important for us to focus on; continue to dialogue on ESG matters
• Feedback resulted in additional ESG disclosure in our 2020 and 2021 proxy statements, including a prominent ESG overview
Our Governance:
Board Diversity

- Our Board recognizes the importance and value of diversity
- The Board’s policy on diversity affirms its belief that maintaining a diverse membership enhances its deliberations and enables the Board to better represent all our constituents
  - Diversity of Experience: the Nominating and Corporate Governance Committee annually reviews the tenure, performance, and contributions of existing Board members to the extent they are candidates for re-election; considers all aspects of each candidate's qualifications and skills with the goal of ensuring the Board has diversity of experience and perspectives as well as gender, race, geography, and areas of expertise
  - Diversity of Gender and Race: the Board is committed to furthering diversity of gender and race, including in each search highly qualified candidates who reflect diverse experiences and backgrounds, including diversity of gender and race
  - Diversity of Geography: the Board has representation from six countries: England, France, Ireland, Italy, Northern Ireland, United States
- We have further diversified our Board over the past several years:
  - Addition in 2019 of Susan Mahony, Ph.D., who brings more than three decades of broad cross-functional and global pharmaceutical experience to the Board
  - Addition in 2017 of Pascale Witz, with her extensive global healthcare management experience, and James Shannon, M.D., with his significant clinical development and management experience
  - Gender diversity: 22% women
  - Total diversity (gender, ethnicity): 33% women and minorities

The Board of Directors Diversity Policy is available on the Corporate Governance Overview page of our website (https://ir.horizontherapeutics.com).
Our Governance:
Board Refreshment/Assessment Process

We employ rigorous and comprehensive processes for Board assessment, new director selection and Board refreshment

- The Nominating and Corporate Governance Committee (NCGC) believes that maintaining the best possible board requires strong board refreshment and assessment processes and that processes we employ conform to best practices and enhance our Board's effectiveness.
- Board assessment is conducted annually and includes two components: director self-assessment and a rigorous review for expiring-term directors.
- Director Self-Assessment:
  - Third-party telephonic survey of each director is conducted annually to obtain each director’s feedback on effectiveness of overall Board, Board meetings and communication, the director’s own participation and contributions, and those of other directors.
  - NCGC reviews and discusses survey results during the November meeting.
  - Has resulted in several meaningful improvements in the Board structure, how Board meetings are conducted and timing of information provided to Board.
- Review Process for Expiring-Term Directors:
  - Objective: determine if expiring-term directors should seek another term; robust in-depth process, typically for 3 directors each year.
  - NCGC Chair conducts three sets of meetings:
    - one-on-one meetings with the 3 directors;
    - meetings with the individual NCG Committee members and
    - a meeting with the Board Chair/CEO and Lead Independent Director to share results of the meeting and determine the path forward.
  - This process enables an in-depth assessment of each director whose term is expiring based on at least 3 years’ experience and the skills and experiences the NCGC believes best serves Horizon and the Board in the future.
  - Since 2017 has resulted in Board refreshment with addition of 3 new directors (two female) and 2 existing directors stepping down.
  - These changes have served to better meet Horizon's needs given the evolution of our business and our strategy over the last several years.
Our Governance:
Board Member Participation on Outside Public Boards

- Finding qualified directors is particularly challenging in the biotech industry; those who are qualified are in high demand
  - More directors are deemed overboarded in biotech by proxy advisors than any other industry
- It can be difficult for biotech companies to find and attract directors with the specialized skillset needed
- Our Board and the Nominating and Corporate Governance Committee takes overboarding of members seriously, given the time commitments and responsibilities board service entails
- Directors must advise the Chairman of the Board or the Lead Independent Director before accepting an invitation to serve on the board or board committee of another company
- Our Board is highly engaged: over the past several years, each director attended 94% or more of the Board and committee meetings on which she or he served; in addition, members of the Board had frequent informal interaction with management during the COVID-19 pandemic in 2020
- Our CEO meets or speaks with the lead independent director on a weekly basis
Our Governance: Our Approach to Cybersecurity Risk

- We are committed to protecting our Horizon information technology systems. We manage information technology systems that facilitate commercial, supply chain and regulatory activities; maintain our financial data; and store employee and customer data.

- Cybersecurity Management: Our cybersecurity risk management team continually analyzes emerging cybersecurity threats in the overall environment and updates senior management and the Board of Directors on strategies to address them.
  - We have protocols, policies and tools in place to mitigate cybersecurity risk. We are aligned to the National Institute of Standards and Technology Framework (NIST CSF), a voluntary guidance that provides a framework and a toolkit for organizations to manage cybersecurity risk.
  - We annually engage an independent third party to assess our information technology (IT) general controls and IT security.
  - We maintain a cybersecurity insurance policy.
  - To our knowledge, we have not experienced a material information security breach nor incurred any penalties or settlements regarding information security.

- Board Involvement: The Audit Committee regularly reviews our information security and technology risk programs, including cybersecurity.
  - The Audit Committee and Board of Directors is briefed at least twice a year by our chief information officer on our cybersecurity risk management programs and the overall cybersecurity risk environment.
  - The briefing includes discussions on topics such as information security and technology risks, cybersecurity, information risk management strategies and progress and employee training initiatives, among others.

- Employee-Related Cybersecurity Training and Requirements: We enhance our information security through employee training.
  - We conduct cybersecurity reviews for all new employees during the onboarding process.
  - We conduct regular phishing awareness campaigns throughout the year to all employees.
  - All employees are required to review and attest to our policy of the acceptable use of our information technology.
  - All employees are required to do mandatory cybersecurity training on an annual basis, as well as to review and attest to our cybersecurity policy.
  - The importance of protecting Horizon's information, resources and systems is stressed in Horizon's Code of Conduct & Ethics.

- We work to provide the administrative, technical, and physical safeguards that will ensure the security, confidentiality, integrity and availability of confidential information and personal information from unauthorized access, use, disclosure, alteration, destruction or theft.
Our Focus on Ethics and Integrity:
Strengthening Our Corporate Culture of Compliance

• **Integrity, honesty** and **doing the right thing** are a part of the core values that define Horizon as a company

• We value the trust and reputation behind Horizon’s name and promote high standards of integrity, conducting our affairs in an honest and ethical manner, supported by our **strong ethics and compliance leadership**

• We have a **comprehensive compliance program** in place to address adherence with various laws and regulations relating to our sales, marketing, and manufacturing of our medicines, as well as certain third-party relationships, including pharmacies

• We are committed to **upholding anti-bribery laws** in all markets in which we do business

• We ensure **effective processes and training**

• We **commissioned an independent assessment of our compliance program** by Deloitte in 2019 that concluded:
  - Our program **exceeds the core element requirements** of an ethics and compliance program
  - Our program **has a variety of unique enhancements that make our program particularly effective**
Our Purpose:
Building Healthier Communities and Beyond

Underscoring all we do is our dedication to making the world a better place, one patient, one medicine, one community at a time

100+
Global patient advocacy group partnerships

$900M
Provided in patient assistance in 2020 to support access to our medicines

$1.5M+
Racial equity response

4
Pillars of giving in healthcare, innovation, STEAM and environmental sustainability

$20M+
In support of our communities

$3.7M
COVID-19 relief

11
Of the 17 United Nations Sustainable Development Goals supported through Horizon CSR efforts

STEAM: Science, technology, engineering, arts and math.
Our Purpose:
Making a Difference – Our Impact Goes Beyond Our Medicines

• Underscoring all we do is our dedication to making the world a better place
  – Ours is a culture of commitment to making a difference by developing and marketing medicines, supporting patient advocacy efforts, combatting racism and fostering inclusion, and giving back to the community

• Changing the odds in rare disease
  – Only 5% of the ~7,000 rare diseases have treatments; we are working to change this through our R&D and advocacy efforts
  – We also work to raise rare disease awareness through our umbrella RAREis™ program that includes:
    • RAREisCommunity.com: a website that connects people living with rare diseases and their families to unique resources developed by and for the rare disease community
    • RAREis Adoption Fund: in partnership with Gift of Adoption, provides financial support to complete adoption, including of children with medical needs
    • RAREis Scholarship Fund: in partnership with EveryLife Foundation, provides adults living with a rare disease each with one-time $5,000 grants to pursue enrichment opportunities, including accredited educational courses, trade programs and two-and four-year degrees
  – We partner with >100 patient advocacy groups to raise awareness for many underrepresented diseases and advocate for patients

• Giving back
  – We are a proud member of Pledge 1%, a movement empowering companies to donate 1% of product, 1% of equity, 1% of profit or 1% of employee time to improve communities around the world
  – We match employee donations up to $500 per employee per year to charitable organizations
  – All Horizon employees receive a “Make It Personal Day” that can be used to do something uniquely meaningful for them
  – We provided >$3.7 million in financial donations to support COVID-19 response efforts in 2020
Our Purpose:
Making a Difference – Taking Steps to Combat Racism and Foster Inclusion

• Our Commitment
  − We stand firmly against racism, hate, discrimination and inequality in all forms
  − We recognize that true change will only come when we do more than speak; we must act and commit to investing in long-term, sustainable initiatives
  − Living the values of diversity, equity and inclusion begins with dialogue and understanding, which we are working to foster internally and externally

• Our Actions
  − We are proud to be a part of the CEO Action for Racial Equity Initiative, a coalition focused on advancing racial equity through public policy, aimed at improving the lives of >47 million U.S. Black people through advocating for public policy change
    • We dedicated a Horizon employee to a one-year external fellowship for the initiative
  − We have signed the CEO Action for Diversity and Inclusion pledge; a Horizon employee has joined the Fellowship program
  − In 2020, we donated $500,000 to community organizations that are addressing racial inequality and racism and $1 million in scholarship endowments for students of color and economically disadvantaged students
  − In 2021, we have provided $50,000 in support to the Asian American Advancing Justice-Asian Law Caucus and Stop AAPI Hate
  − We also made a $100,000 seed donation to promote community engagement to renovate Emmett Till’s Chicago home into a museum and theater, a space for learning, listening and addressing racism and other inequities

• Within Horizon
  − Our RiSE program is designed to further embed inclusion, diversity, equity and allyship throughout Horizon with 20-plus volunteer employee leaders working together in diverse working groups
  − We have a formal diversity talent program, aimed at promoting inclusive leadership behaviors and hiring/developing more diverse talent
  − We are promoting and developing inclusive leadership behaviors as well as hiring and developing more diverse talent to reflect the communities in which we live and work
Access to Medicines and Our Patient-Centric Focus:
Making Health a Priority, Not a Privilege

• We work to ensure that patients have access to our medicines, regardless of their ability to pay
  – In 2020, we supported patients with $900M in assistance, representing ~22% of our gross sales

• Patients are at the heart of everything we do
  – In R&D:
    • We believe science and compassion must work together to transform lives
    • We’re committed to improving lives by identifying and bringing innovative medicines to market that address unmet medical needs
    • We apply scientific expertise and courage in our R&D programs to address the most challenging needs while constantly looking through a patient-informed lens – working not only on the development of new medicines that address unmet needs but also finding new uses and benefits for patients with our current medicines
    • We are working to change the odds in rare disease, which means delivering on our promise to bring meaningful therapies to patients, their families and the physicians who care for them
  – Commercially:
    • We have a deep infrastructure in place for our medicines to support patients, their caregivers and physicians throughout the entire patient journey – from assisting in the reimbursement process and ensuring access to our medicines to educating the patient on the treatment and supporting them through their course of therapy and beyond
  – Advocacy:
    • We work to raise awareness for underrepresented diseases and advocate for patients, their caregivers and communities
Access to Medicines and Our Patient-Centric Focus: Making Health a Priority, Not a Privilege

- We advocate for patients of underrepresented diseases, their caregivers and communities
  - We partner with >100 patient advocacy groups, from large global organizations to small local disease-specific groups, to raise awareness for many underrepresented diseases
  - We work to develop medicines to treat unmet needs for rare diseases

- We ranked No. 1 in overall corporate reputation among patient groups who worked with us in the 2020 PatientView U.S. Corporate Reputation report
  - Annual survey of pharmaceutical industry and 38 pharma companies from the perspective of U.S. patient groups
  - Additional No. 1 rankings for Horizon include:
    - Having an effective patient-centered strategy
    - Ensuring patient safety
    - Providing high-quality products of benefit to patients
    - Being transparent in pricing, clinical trial data and funding stakeholders
  - In the 2020 PatientView Global Corporate Reputation Report we ranked No. 2 among patient groups who worked with us of 48 peers and No. 1 in several other categories

- 2020 Highlights of our commitment to disease communities
  - Hosted Horizon’s first ever Patient Advocacy Summit, bringing together 45 advocacy leaders from 32 organizations to collaborate on innovative ideas related to telemedicine
  - Collaborated with patient groups to launch Thyroid Eye Disease (TED) Awareness Week
  - Sponsored and participated in the Arthritis Foundation’s Virtual Walks to Cure Arthritis, raising >$130,000 for the organization
Our Corporate Culture: Engaged, Award-Winning; Committed to Diversity and Inclusion

- We are consistently recognized as a best workplace in multiple categories, demonstrating a high level of employee engagement, receiving 13 workplace recognitions so far in 2021\(^{(1)}\), exceeding 2020’s awards.

- We continue to outscore in employee loyalty and engagement, surpassing the leading top-company benchmarks of a leading consultant firm in 2021.

- We continue to demonstrate gender and ethnicity pay equity, according to a second Aon study in 2021:
  - The study was a follow-on study to a 2019 study that found *no pay discrepancy* among men, women, and those of different ethnic backgrounds.
  - Horizon maintained our gender and ethnicity pay equity despite our significant growth since 2019.

- Our commitment to inclusion, diversity, equity and allyship starts at the top. Horizon’s chairman, president and chief executive officer Tim Walbert was one of the first signatories of the CEO Action for Diversity and Inclusion pledge.

- We believe that people with different backgrounds and life experiences fuel innovation and success; our strong emphasis on an inclusive culture influences how we recruit employees and treat one another.

- In 2020, we introduced RiSE, a strategic program to further embed inclusion, diversity, equity and allyship throughout Horizon with 20-plus volunteer employee leaders working together in diverse working groups.

- Our diversity talent program aims to promote inclusive leadership behaviors and hiring and developing more diverse talent.

- Our percentage of female employees is above industry standards.

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\(^{(1)}\) As of Dec. 6, 2021.

\(^{(2)}\) In 2020, due to COVID-19, we conducted multiple “pulse” surveys to gauge our employees’ well-being and gain their feedback during the remote working period instead of one annual survey.
Our Engaged Corporate Culture Is Consistently Recognized as a Best Workplace Multiple Categories

Thirteen Recognition in 2021 as of Dec. 6, 2021:

- *Fortune* and Great Place to Work® *Best Workplaces in BioPharma 2021* – No. 1 Company
- *Fortune 100 Best Companies to Work For* in the United States – No. 1 Biotech/Pharma
- Great Place to Work Institute of Ireland *Great Places to Work in Ireland 2021*
- *Fortune* and Great Place to Work *2021 Best Workplaces for Women*
- *Fortune* and Great Place to Work *2021 Best Workplaces for Millennials*
- Great Place to Work *2021 Best Workplaces for Parents*
- Newsweek’s Inaugural *Most Loved Workplaces* – highest-ranked biotech/pharma company
- Great Place to Work *Best Workplaces in Chicago 2021*
- Crain’s Chicago Business *Best Places to Work in Chicago*
- *Chicago Tribune Top Chicago Workplaces 2021*
- *San Francisco Bay Area’s Best and Brightest Companies to Work For*
- Great Place to Work *Best Workplaces in Texas*
- Dave Thomas Foundation for Adoption *Top 100 Adoption-Friendly Workplaces*

Years:

*(1)*

5th

1st

2nd

1st

2nd

3rd

1st

5th

6th

7th

2nd

1st

3rd

2020 Recognitions:

- We received 12 recognitions in 2020 as a best workplace, three for the first time

(1) Except for first-year awards, references are to consecutive year. (2) First year for Horizon to be awarded the #1 position for biopharma companies.
Our Product Supply Chain:
We Work Rigorously to Manage Our Supply Chain and Medicine Quality

- More than 120 team members oversee the quality and compliance of our medicines
- We **work rigorously to ensure the quality of our medicines** through robust oversight of our Contract Manufacturing Organization (CMO) and vendor partnerships
  - **Global stature:** We work with highly reputable CMOs of global stature for the manufacturing and testing of our products
  - **Guidelines:** We follow vendor management guidance of U.S. FDA and other appropriate regulatory agencies
  - **Quality Management System (QMS):** A fully documented QMS is in place to direct and control all activities related to our product quality; the QMS is reviewed periodically up to and including the Executive Committee to ensure its effectiveness
  - **CMO/vendor qualification:** We qualify each CMO/vendor and conduct periodic audits of all our CMO/vendor partners and their facilities; we implement and track corrective actions for any identified deficiencies through our QMS
  - **Level/scope of oversight:** We meet frequently with the CMOs to plan, monitor and continually improve product supply; our Supplier Review Board periodically reviews the performance of all suppliers
  - **Measurement:** We periodically measure CMO/vendor performance against quality, compliance, process and delivery standards; any unsatisfactory performance is actioned for improvement
  - **Traceability:** We ensure traceability of origin of our medicines and their component ingredients throughout the supply chain
- We are **conducting an assessment of our CMOs’ ESG and employment practices** (including anti-slave or child-labor)
- We provide a support line on our website for pharmacovigilance and patient support
Minimizing Environmental Impacts:
We Aim to Conduct Our Business in a Responsible Way that Minimizes Environmental Impacts

• It is our objective to conduct our business in a responsible way that minimizes environmental impacts
• Our new Deerfield, Illinois campus is LEED Gold certified
• We relocated our global headquarters in Dublin to a near-zero-emission building constructed to LEED Gold standard
• We are committed to furthering sustainable practices across our business, including:
  − minimizing and, if practicable, eliminating the use of any substance or material that may cause environmental damage;
  − reducing waste generation and disposing of all waste through safe and responsible methods;
  − minimizing environmental risks by employing safe technologies and operating procedures; and
  − being prepared to respond appropriately to accidents and emergencies