



Sustainability Data Supplement 2019

*Healthcare. We Care.*

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## About Aspen

We are a global specialty and branded pharmaceutical company, improving the health of patients across the world through our high quality and affordable medicines. Active at every stage of the value chain, we are uniquely diversified by geography, product and manufacturing capability, positioning us well to maximise the value we create for our business and its diverse stakeholders.

# About this data supplement

In preparing the Group's 2019 Integrated Report, we were guided by the International Integrated Reporting Framework, published by the International Integrated Reporting Council in December 2013. We have therefore integrated key material sustainability matters into the Integrated Report and accordingly, a separate Sustainability Report is not prepared.

This Sustainability Data Supplement is designed to provide our stakeholders with more data on sustainability-related indicators.

In addition to the Group's 2019 Integrated Report, the following supplementary documents are available online and provide further detail and context to the key sustainability matters:

- Group and company Annual Financial Statements for the year ended 30 June 2019
- Supplementary documents:
  - Unabridged Corporate Governance report
  - Social & Ethics Committee report
  - Audit & Risk Committee report
  - BBEE report
- 2019 Climate Change CDP and Water Security CDP submissions
- Communication on Progress report in respect of the UN Global Compact's 10 Principles for 2019
- Stakeholder Engagement report

## Combined assurance

Selected sustainability information in the Integrated Report has been independently assured by Environmental Resources Management (Pty) Limited ("ERM") in accordance with the AccountAbility's AA1000 Assurance Standard (Revised 2008) (Type II moderate level). All material KPIs have been verified, using a combined assurance approach. The 2019 sustainability assurance statements from external assurance providers, ERM and PricewaterhouseCoopers ("PwC"), can be accessed online. Our Group Internal Audit function ("Internal Audit") also provided limited assurance on selected KPIs and, based on the audit work performed, concluded that the tested KPIs have been prepared in accordance with the defined reporting criteria and are free from material misstatements. Recommendations for improvement arising from the 2019 combined assurance processes will be addressed as part of the continuous improvement processes.

## Scope and boundaries

Except for as set out in this section, the information reported in this Sustainability Data Supplement includes all operating subsidiaries controlled by the Group.

For the purposes of the Sustainability Data Supplement data has been grouped into the following regional categories:

- Asia Pacific;
- Europe and the Commonwealth of Independent States and the former Soviet Republics ("Europe & CIS");
- Latin America;
- Sub-Saharan Africa ("SSA"); and
- rest of the world ("RoW").

The SSA region includes South Africa and the rest of Sub-Saharan African countries. For the purpose of reporting, due to its nature and size, the API manufacturing site, API Inc., based in Sioux City, USA is combined with the Oss site, and is therefore included in the Europe & CIS region.

The scope and boundary for each KPI is set out in the table on the following page. KPIs are implemented across business units with reference to the following criteria:

- relevance and suitability of the KPI to the effective measurement of performance at a commercial, manufacturing or combined business unit;
- relevance of these KPI measures to the key risk management objectives at a business unit level; and
- the maturity of the business unit in terms of integration into the Group's business model and existence of appropriate reporting infrastructure and systems.

During May 2019, the Nutritionals business was divested. Data relating to this business has been included up until and including May 2019, other than financial data, where data is compiled on a continuing business basis.

With effect from 12 June 2018, we acquired control of 100% of the share capital of Alphamed, a privately owned company incorporated in India. Other than employee information, data relating to this business unit has not been included in the data in this supplement, as processes to collect validated information from this entity are still being established.

**The following material KPIs are only relevant to selected business units:**

Material KPIs	Applicable business unit	Rationale
<p>All environmental KPIs including:</p> <ul style="list-style-type: none"> <li>• Carbon emissions</li> <li>• Waste recycled</li> <li>• Water withdrawn</li> <li>• Electricity used</li> </ul>	Manufacturing business units only	<ul style="list-style-type: none"> <li>• Environmental indicators are not measured and reported on for the commercial business units as their environmental impact is not material.</li> </ul>
<p>Safety KPIs including:</p> <ul style="list-style-type: none"> <li>• Disabling incident frequency ratio ("DIFR")</li> <li>• Lost work day frequency ratio ("LWDFR")</li> </ul>		<ul style="list-style-type: none"> <li>• The risk of work-related safety incidents and occupational diseases is highest at the manufacturing facilities where employees are directly exposed to and in contact with production machinery as well as pharmaceutical and chemical materials.</li> <li>• Permanent disabling injuries are monitored and measured at the manufacturing business units only.</li> <li>• Occupational fatalities are monitored and measured across both the manufacturing and commercial business units.</li> </ul>
<p>Commercial KPIs including:</p> <ul style="list-style-type: none"> <li>• Number of product recalls</li> <li>• In-market sales value of total product pipeline for the next five years</li> </ul>	Commercial business units only	<ul style="list-style-type: none"> <li>• The affected product is registered in the name of the relevant commercial business unit and not the supplying manufacturing site. It should be noted that quality management and quality assurance processes are in place at the manufacturing sites to ensure compliance with pharmaceutical good manufacturing practice. These processes aim to release products to the commercial business units only after the requisite quality checks have been passed. Products are blocked for release by our Quality Assurance Department in instances where requisite quality standards are not met. This does not, however, constitute a product recall from customers.</li> <li>• The commercial business units are responsible for identifying and launching commercially viable molecules from the product pipeline.</li> </ul>
<p>Promoting equality KPIs including:</p> <ul style="list-style-type: none"> <li>• BBBEE accreditation</li> <li>• Percentage of black employees in South Africa</li> <li>• Percentage of black employees in the top 50 positions in South Africa</li> </ul>	South African business units only	<ul style="list-style-type: none"> <li>• The BBBEE legislation and related transformation objectives are only applicable to the South African business.</li> <li>• Employment equity is a key focus for the South African business.</li> </ul>

**Stakeholder engagement**

Stakeholder management forms part of our day-to-day business activities and the Group promotes an appropriately consultative and constructive approach to stakeholder engagement. Designated representatives, at the Group and business unit levels, are entrusted with the management of key stakeholder relationships and engagement takes place through appropriate mechanisms including meetings, electronic communication, participation in industrial forums, regulated communication protocols and the media. The expectations of key stakeholders are considered in formulating the Group's strategy, in evaluating material risks and in reviewing business unit performance. The most material stakeholder engagement for the Group undertaken since the publication of the previous year's Integrated Report are set out on pages 16 and 17 of the 2019 Integrated Report.

**Contact details**

Queries regarding our sustainability information can be directed to the Group Risk and Sustainability Manager at [jenglund@aspenspharma.com](mailto:jenglund@aspenspharma.com).

# Our sustainable business strategy

We recognise that doing business in a sustainable and responsible manner is integral to ensuring our future viability. Sustainability considerations underpin our strategy and are integrated into the way we do business.

## Our vision

### Our vision unites us in our purpose

To deliver value to all of our stakeholders as a responsible corporate citizen that provides high quality, affordable medicines and products globally.

## Our values

### Our shared values are the foundation as we work toward achieving our vision

**Teamwork:** We optimise our performance by pulling together. Our combined capabilities exceed the sum of each individual.

**Innovation:** We constantly search for better ways of doing things and are solution oriented.

**Commitment:** We go the extra mile, seeking to exceed expectations.

**Excellence:** We strive to be the best we can be and to deliver to the highest standards.

**Integrity:** Our integrity is not negotiable.

## Healthcare. We care.

### Our credo underpins our commitment to create value for all our stakeholders in a manner that is responsible, transparent and respects the rights of all

Our sustainability themes (refer to pages 24 and 25) are integrated in our corporate strategy:

- Patients
- Employees
- Society
- Environment

## Strategic positioning

### Our strategic positioning supports delivery of our vision.

We seek to achieve this through developing a differentiated portfolio of relevant IP, creating value through our complex manufacturing capabilities and enabling access through our globally integrated supply chain.

Our market positioning is focused on leveraging opportunities presented by emerging markets, balanced with presence in more established, stable developed markets.

Through our dynamic portfolio management model, we build, maximise and reshape our basket of products to achieve a global product portfolio of niche, specialty products complemented by leading Regional Brands, aligned to our manufacturing capability.

### We implement our strategy by applying the resources we have available in execution of our business model to achieve sustainable growth and value creation (pages 08 and 09).

We have identified KPIs designed to provide a defined measure of performance against our strategic objectives. We track our performance by reporting against these KPIs to the Board on a quarterly basis. In this way, the performance of executive directors, executives and senior management is aligned to our sustainable business strategy. Reporting on our performance against our strategic objectives is included in "Our strategic business performance" (pages 36 to 45)

Our five strategic objectives provide the foundation to deliver our strategy of creating long-term value for all of our stakeholders. Our focus areas outline our plan of action over the short- to medium-term.

## Assurance on our KPIs

We obtain assurance on these reported KPIs through a combined assurance approach::

ERM ◆ PWC ● Internal Audit ■ Empowerdex ▲

Further discussion on combined assurance is included on page 26

### To enhance access to high quality affordable medicines



#### Our focus areas

- Develop and strengthen pipeline and accelerate product launches
- Expand presence in emerging markets with a focus on establishing a meaningful presence in countries with high growth potential
- Implement initiatives to achieve security of supply
- Explore opportunities for strategic regional partnerships
- Establish a route to market strategy for the United States pipeline

#### KPI

- In-market sales value of total product pipeline for the next five years ■
- Number of product recalls ■

### To achieve strategic advantage through our integrated supply chain



#### Our focus areas

- Optimise operations and drive efficiencies and reduce cost of goods
- Achieve the transfer of the manufacture of complex, sterile products to Aspen sites over the next three years
- Focus on supply performance and optimise carrying levels of inventory

#### KPI

- Gross profit percentage ●

### To provide a safe, challenging and rewarding environment for our employees



#### Our focus areas

- Build a culture of operational excellence and cross-functional collaboration
- Strengthen leadership capacity across the Group
- Harness the benefits of diversity and inclusion
- Focus on the development and retention of required skills
- Maintain a strong health and safety culture across our operations

#### KPI

- Average staff turnover ■
- Average training spend per employee ■
- Percentage of females in top 100 positions in the Group ■
- Percentage of black employees in top 50 positions in South Africa ■
- Lost work day frequency ratio (LWDFR)<sup>#</sup> ◆

### To practice good corporate citizenship



#### Our focus areas

- Maintain high governance and ethical standards
- Enhance relationships and reputation with our various stakeholders
- Explore resource efficiency projects to secure security of supply and minimise impact on the environment

#### KPI

- BBBEE accreditation in South Africa ▲
- FTSE/JSE Responsible Investment Index score ◆
- Carbon emissions<sup>#</sup> ◆
- Waste recycled<sup>#</sup> ◆
- Water withdrawn<sup>#</sup> ◆
- Electricity used<sup>#</sup> ◆

### To create sustainable economic value for all our stakeholders



#### Our focus areas

- Drive organic growth through maximisation of the potential of existing portfolio and markets
- Increase operating margins and generate strong free cash flow
- Accelerate deleveraging
- Remain alert to acquisition, disposal and collaboration opportunities which present strategic value
- Optimise the allocation of available capital
- Deliver economic benefits to suppliers, employees, governments, communities and shareholders

#### KPI

- Revenue growth ●
- Normalised headline earnings per share ("NHEPS") growth ●
- Normalised EBITDA growth ●
- Normalised EBITDA margin ●
- Return on ordinary shareholders' equity ●
- Operating cash flow per share ●
- Leverage ratio ●

<sup>#</sup> Measured for manufacturing sites only (includes divested business until divested date, does not include New Zealand New Milk ("NZNM"))

# Our approach to sustainability

We are committed to creating value for all of our stakeholders in a manner that is responsible, transparent and respects the rights of all. We recognise that to achieve long-term success, we need to deliver our business strategy in a way that creates value not only to Aspen and its shareholders, but also to society and the planet.

## Our sustainability commitments

We believe that doing business in a sustainable and responsible manner is integral to our purpose, our values and our philosophy "Healthcare. We Care". Our sustainability commitments are integrated into the Group's strategic objectives and underpin the way we do business. Our sustainability commitments are determined with consideration to the following key aspects:

### United Nations Global Compact ("UN Global Compact")

We are signatories to the UN Global Compact and have aligned our sustainability commitments with the principles outlined in the UN Global Compact, which cover human rights, labour, environment and anti-corruption. Our Communication on Progress report, available online, sets out our approach to the application of these principles.

### United Nations Sustainable Development Goals (SDGs)

Launched in September 2015, the United Nations 2030 Agenda for Sustainable Development is a global action plan for people, planet and prosperity. The 17 SDGs aim to tackle the world's most pressing challenges through the promotion of sustainable development. As a multinational pharmaceutical company, we have an important role in contributing to the delivery of the SDGs. While all of the SDGs are essential, we have identified seven goals where we believe we are able to have the greatest impact. We are in the process of further developing our approach for contributing toward the delivery of these goals.

## Material sustainability topics

We performed a sustainability-related materiality assessment to identify the sustainability issues that are most critical to our business and our stakeholders. This process assists us in identifying sustainability focus areas and informs our strategy and the content of our reporting. We align our identification of material sustainability topics with the GRI Standards, UN Global Compact, the FTSE/JSE Responsible Investor Index assessment criteria as well as considering information relating to the pharmaceutical sector; our regulatory requirements and matters raised during engagement with our people and our external stakeholders.

## Our sustainability themes

We have grouped our sustainability commitments into four key themes:

### Theme 1

#### Patients

#### SDGs

#### Strategic objectives

To enhance access to high quality, affordable medicines



We are committed to enhancing access to medicines and providing reliable supply of quality products, improving the health and quality of life of patients and enhancing access across the geographies of our operations.



#### Capitals



#### Material topics

- Access to healthcare
- Patient safety
- Supply of quality products
- Responsible marketing



## Theme 2

### Employees

### SDGs

#### Strategic objectives

To provide a safe, challenging and rewarding environment for our employees



We are committed to creating a healthy and safe work environment, where everyone is treated fairly and with respect and have the opportunity to develop to their full potential.



#### Capital



Human

#### Material topics

- Employee health and safety
- Labour rights
- Diversity and inclusion
- Workforce development

## Theme 3

### Society

### SDGs

#### Strategic objectives

To practice good corporate citizenship



We strive to operate an ethical and responsible business underpinned by our shared values and governance structures. We uphold the dignity, fundamental freedoms and human rights of our employees, contractors and the communities in which we live and work, and others affected by our activities.



#### Capital



Social & relationship

#### Material topics

- Human rights
- Ethical business culture
- BBBEE in South Africa
- Socio-economic development and investment in communities
- Fair taxation

## Theme 4

### Environment

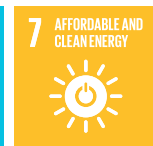
### SDGs

#### Strategic objectives

To practice good corporate citizenship



We are committed to practice responsible environmental stewardship, seeking to minimise any negative impact our operations have on the environment and to comply with applicable laws, regulations and other environmental management requirements.



#### Capital



Natural

#### Material topics

- Carbon emissions
- Electricity
- Water and effluent
- Waste



# Intellectual capital

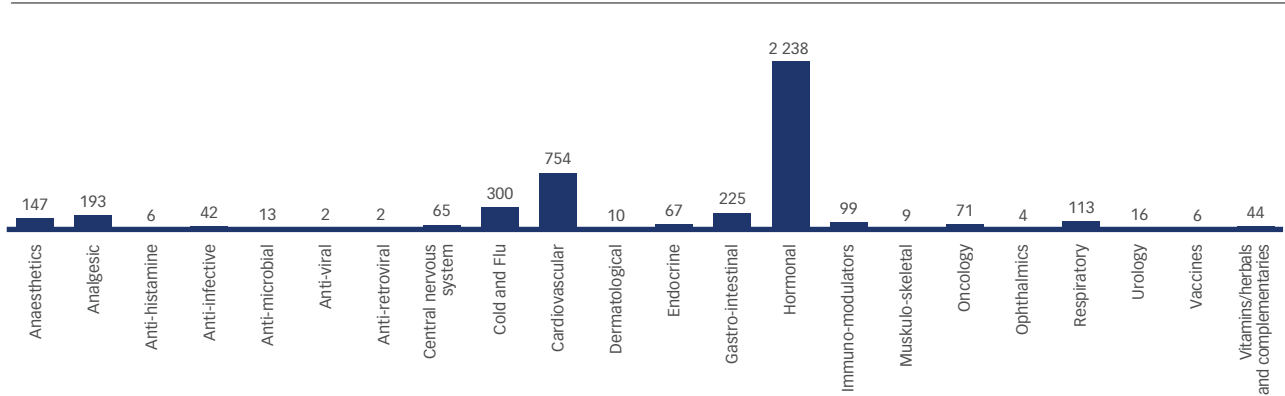
(This information is designed to supplement the disclosures made in pages 58 to 63 of the Integrated Report.)

## Sustaining life and health through high quality, affordable medicines and products

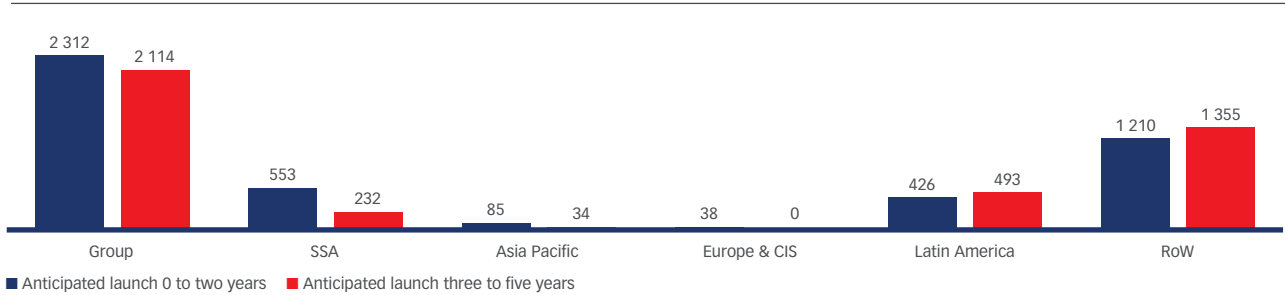
Material KPIs		2019	2018	2017	2016	2015
In-market sales value of total product pipeline for the next five years	USD-billion	4,4	3,4	3,2	4,8	4,6
Number of product recalls	Number	11	17	7	11	6
Additional KPIs		2019	2018	2017	2016	2015
Product launches	Number	47	36*	31*	42*	25*

\* The numbers of launches has been restated as a result of the Nutritionals disposal.

### In-market sales value of product pipeline per therapeutic category (USD'million)



### Anticipated timing of product pipeline launch values (USD'million)



# Manufactured capital

(This information is designed to supplement the disclosures made in pages 64 to 67 of the Integrated Report.)

## Sustaining a cost-competitive manufacturing base

<b>Material KPIs</b>		<b>2019</b>	2018	2017	2016	2015
Gross profit percentage	%	<b>50,7</b>	51,4*	48,3	50,3	47,8

\* Restated for the adoption of the new accounting standards and discontinued operations from 50,8% to 51,4%.

# Human capital

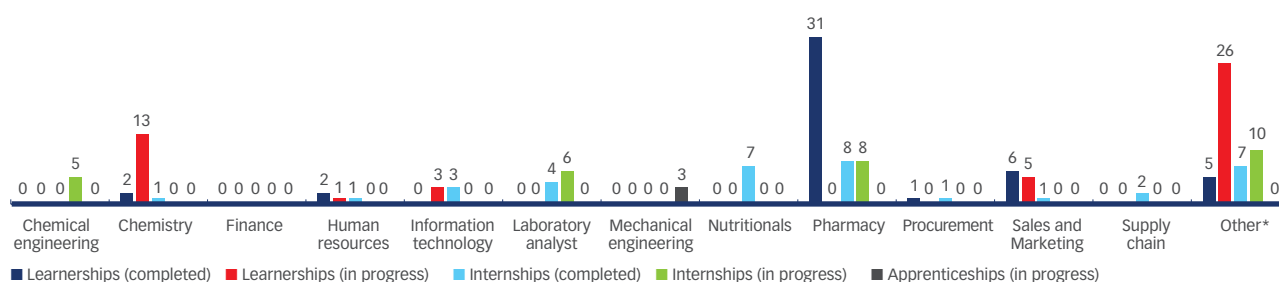
(This information is designed to supplement the disclosures made in pages 68 to 75 of the Integrated Report.)

## Creating an environment in which our employees can thrive

Material KPIs		2019	2018	2017	2016	2015
Average staff turnover	%	<b>14,3</b>	12,2	13,0	13,1	13,6
Average staff turnover (including disposals)	%	<b>23,0</b>	12,3	14,0	13,5	13,6
Average training spend per employee	Rand	<b>5 875</b>	6 742	4 987	5 829	5 656
Additional KPIs		2019	2018	2017	2016	2015
Group employee trends						
Permanent employees	%	<b>93</b>	93	93	87	88
Net growth in permanent employees	%	<b>(6,8)</b>	5,4	2,9	1,0	7,4
Investment in employee training trends						
Investment in training & development	R'million	<b>56,6</b>	65,5	46,5	53,3	49,6
Employees trained	Number of people	<b>8 447</b>	8 441	7 426	7 288	7 270
Training spend per employee	Rands	<b>5 875</b>	6 742	4 987	5 829	5 656
Permanent employees trend by region						
Group	Number of people	<b>9 289</b>	9 965	9 454	9 184	9 089
South Africa	Number of people	<b>3 566</b>	3 984	3 837	3 882	3 634
Rest of SSA	Number of people	<b>383</b>	386	401	427	408
Asia Pacific	Number of people	<b>1 699</b>	1 439	1 213	772	844
Europe & CIS	Number of people	<b>2 530</b>	2 579	2 570	2 646	2 642
Latin America	Number of people	<b>773</b>	1 248	1 158	1 245	1 360
RoW	Number of people	<b>338</b>	329	275	212	201

### Skills development programmes for South Africa

(Number of participants)



\* Other includes biotechnology and industrial engineering learners.

## Additional KPIs for 2019 per region

		SSA						
		Group	South Africa	Rest of SSA	Asia Pacific	Europe & CIS	Latin America	RoW
<b>Employee movement</b>								
Opening number of employees	Number of people	10 676	4 284	409	1 466	2 813	1 355	349
Appointment of employees	Number of people	1 849	611	71	471	313	321	62
Additions through acquisitions	Number of people	246	—	—	246	—	—	—
Termination of employment contracts	Number of people	(1 802)	(612)	(68)	(385)	(356)	(331)	(50)
Transfers through business disposals	Number of people	(890)	(338)	—	(53)	—	(499)	—
Retirements	Number of people	(7)	(4)	—	—	(3)	—	—
Medical retirements	Number of people	(53)	(23)	(8)	(4)	(11)	(6)	(1)
Deaths	Number of people	(18)	(14)	—	—	(4)	—	—
Total employees at the end of the year	Number of people	10 001	3 904	404	1 741	2 752	840	360
Percentage of Group total	%	100	39	4	17	28	8	4
Permanent employees	Number of people	9 289	3 566	383	1 699	2 530	773	338
Temporary employees	Number of people	712	338	21	42	222	67	22
Percentage of permanent employees	%	93	91	95	98	92	92	94
Percentage of temporary employees	%	7	9	5	2	8	8	6
Total female employees	Number of people	4 855	2 120	115	799	1 137	489	195
Total male employees	Number of people	5 146	1 784	289	942	1 615	351	165
<b>Permanent employee ratios</b>								
Percentage of permanent female employees	%	48	54	28	46	41	58	54
Percentage of permanent male employees	%	52	46	72	54	59	42	46
Ratio of new hires to average employees	%	14,4	6,4	16,9	42,3	5,6	22,0	15,6
Average staff turnover	%	14,3	10,1	17,7	23,4	10,1	24,9	15,0

# Human capital continued

		SSA						
		Group	South Africa	Rest of SSA	Asia Pacific	Europe & CIS	Latin America	RoW
<b>Key performance assessments ("KPAs")</b>								
Percentage of permanent employees for whom KPAs are in place	%	97	92	100	98	99	100	98
<b>Collective bargaining units</b>								
Percentage of employees belonging to collective bargaining units	%	31	39	0	0	47	40	0
<b>Trade unions</b>								
Percentage of employees belonging to trade unions	%	26	32	28	45	2	45	0
<b>HIV/AIDs*</b>								
Employees who participated in the voluntary HIV/Aids testing	Number of people	373	179	182	0	0	12	0
Employees who tested HIV positive as a percentage of total employees	%	0,0	0,1	0,0	0,0	0,0	0,0	0,0
<b>Employee wellness</b>								
Employees participating in the voluntary counselling programme		236	187	49	0	0	0	0
<b>Employee training</b>								
Total investment in training and development	R'million	56,6	13,1	0,2	8,4	27,2	3,2	4,5
Investment in training and development as a percentage of the Group's total	%	100	23	1	15	47	6	8
Training spend per employee	Rand	5 875	3 477	415	5 369	10 662	3 120	13 375
Employees trained during the year	Number of people	8 447	2 917	342	1 269	2 310	1 273	336
Employees trained as a percentage of the Group's total	%	100	35	4	15	27	15	4

\* Includes contract workers which could not be isolated due to confidentiality of individuals.

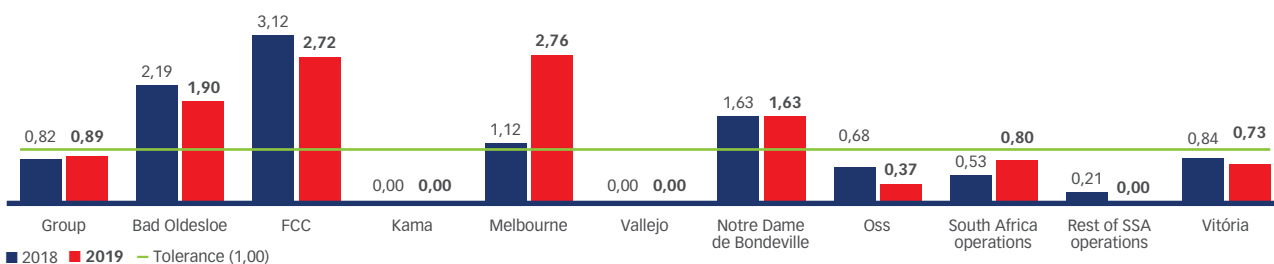
## Providing a safe working environment

Material KPIs		2019	2018	2017	2016	2015
DIFR	Ratio	<b>0,89</b>	0,82	0,93	1,06	1,08
LWDFR	Ratio	<b>0,82</b>	0,78	0,85	0,84	0,85

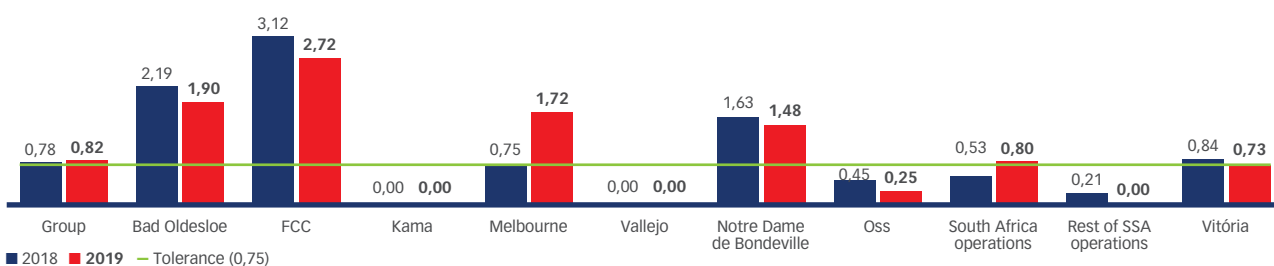
### Additional KPIs for 2019 per region

		SSA					
		Group	South Africa	Rest of SSA	Asia Pacific	Europe & CIS	Latin America
Occupational fatalities (manufacturing and commercial)	Number	0	0	0	0	0	0
Irreversible occupational diseases	Number	5	0	0	0	5	0
Permanent disabilities	Number	0	0	0	0	0	0
Lost work day cases	Number	57	33	0	5	18	1
Disabling injury cases	Number	62	33	0	8	20	1
Employee hours worked	Thousand hours	13 939	6 472	2 227	580	3 589	1 072
<b>DIFR</b>	Ratio	<b>0,89</b>	<b>1,02</b>	<b>0,00</b>	<b>2,76</b>	<b>1,11</b>	<b>0,19</b>
DIFR tolerance level	Ratio	<b>1,00</b>	<b>1,00</b>	<b>1,00</b>	<b>1,00</b>	<b>1,00</b>	<b>1,00</b>
<b>LWDFR</b>	Ratio	<b>0,82</b>	<b>1,02</b>	<b>0,00</b>	<b>1,72</b>	<b>1,00</b>	<b>0,19</b>
LWDFR tolerance level	Ratio	<b>0,75</b>	<b>0,75</b>	<b>0,75</b>	<b>0,75</b>	<b>0,75</b>	<b>0,75</b>

### DIFR trend (ratio)



### LWDFR trend (ratio)



# Social & relationship capital

(This information is designed to supplement the disclosures made in pages 76 to 81 of the Integrated Report.)

## Conducting our business in a responsible manner

Material KPIs		2019	2018	2017	2016	2015
FTSE/JSE Responsible Investment Index score	Score	3,7	4,0	3,4	2,5	2,3

### Additional KPIs for 2019 per region

	Group	SSA					RoW	
		South Africa	Rest of SSA	Asia Pacific	Europe & CIS	Latin America		
Employees who have completed the required annual Aspen code of conduct declaration	%	98	99	100	99	99	96	100

\* As at 25 October 2019.

## Promoting equality

Material KPIs		2019	2018	2017	2016	2015
Percentage of female employees	%	48	50	49	48	48
Percentage of females in top 100 positions in the Group	%	27	27	n/a*	n/a*	n/a*
Percentage of black employees in South Africa	%	82	82	81	80	79
Percentage of black employees in top 50 positions in South Africa	%	26	22	n/a*	n/a*	n/a*
BBBEE accreditation in South Africa	Level	4	4	4	4	4

\* KPI was introduced in 2018 and therefore no comparative data is available.

Additional KPIs		2019	2018	2017	2016	2015
Female Board members	%	36	33	30	30	30
Black Board members	%	36	33	40	40	40



## Contributing to enhancement of healthcare, education and basic needs in communities

Material KPIs		2019	2018	2017	2016	2015
Socio-economic development ("SED") spend	R'million	20,4	19,0	17,7	16,3	20,5

### Additional KPIs for South Africa

		2019	2018	2017	2016	2015
<b>SED projects supported by type</b>						
Clinics	Number	0	0	0	0	1
Community upliftment	Number	59	52	38	41	30
Education & training	Number	34	24	28	32	26
Healthcare	Number	11	7	38	4	3
HIV/AIDS	Number	0	0	0	1	6
Mandela Day	Number	6	7	10	10	8
Total SED projects	Number	110	90	114	88	74
SED project spend	R'million	15,9	15,0	14,9	13,9	13,4

### Additional KPIs for South Africa for 2019

		Total	Community upliftment	Education & training	Healthcare	Mandela Day
SED project spend as a percentage of the total	%	100	59	33	7	1

### Additional KPIs for 2019 per region

		SSA						RoW
Group		South Africa	Rest of SSA	Asia Pacific	Europe & CIS	Latin America		
<b>SED spend by project type</b>								
Community upliftment	R'million	10,6	9,4	0,6	0,4	—	0,2	
Education and training	R'million	5,6	5,2	—	—	0,4	—	
Healthcare	R'million	2,1	1,1	0,6	—	0,4	—	
Mandela Day	R'million	2,1	0,2	—	0,4	0,4	0,3	
Total SED spend	R'million	20,4	15,9	1,2	0,8	0,8	0,5	
SED spend as a percentage of the Group's total spend	%	100	78	6	4	4	2	

# Natural capital

(This information is designed to supplement the disclosures made in pages 82 to 87 of the Integrated Report.)

## Preserving the environment

Material KPIs		2019	2018	2017	2016	2015
Scope 1 emissions*	tCO <sub>2</sub> e	<b>48 095</b>	44 305	48 435	43 588	44 868
Scope 2 emissions*	tCO <sub>2</sub> e	<b>158 899</b>	148 912	160 237	158 260	151 183
Waste recycled	Tonnes	<b>72 269</b>	80 973	76 577	70 740	34 360

\* Carbon footprinting is calculated in accordance with the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard. DEFRA 2018 and local emission factors, for natural gas and electricity, have been used to calculate the GHG emissions. The emission factors used in the calculations take into account the seven main GHGs that contribute to climate change. Biogenic emissions are not calculated or measured.

Additional KPIs		2019	2018	2017	2016	2015
Non-hazardous waste generated	Tonnes	<b>65 451</b>	71 937	72 662	67 392	29 114
Hazardous waste generated	Tonnes	<b>21 453</b>	27 858	21 345	19 411	23 388
Total waste generated	Tonnes	<b>86 904</b>	99 795	94 007	86 803	52 502
Non-hazardous waste generated as a percentage of waste generated	%	<b>75</b>	72	77	78	55
Recycled waste	Tonnes	<b>72 269</b>	80 973	76 577	70 740	34 360
Disposed waste	Tonnes	<b>14 635</b>	18 822	17 430	16 063	18 142
Total waste generated	Tonnes	<b>86 904</b>	99 795	94 007	86 803	52 502
Waste recycled as a percentage of waste generated	%	<b>83</b>	81	81	81	65

### Additional KPIs for 2019 per region

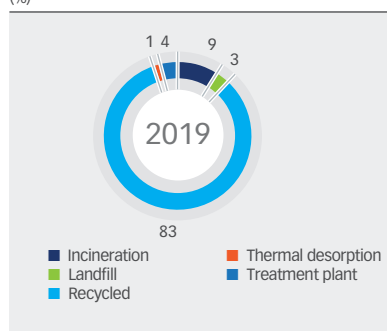
		SSA					
		Group	South Africa	Rest of SSA	Asia Pacific	Europe & CIS	Latin America
<b>Carbon emissions</b>							
Scope 1 emissions*	tCO <sub>2</sub> e	48 095	12 765	3 247	2 169	25 910	4 004
Scope 2 emissions*	tCO <sub>2</sub> e	158 899	120 070	1 792	14 199	21 920	918
Total carbon emissions	tCO <sub>2</sub> e	206 994	132 835	5 039	16 368	47 830	4 922
Scope 1 emissions as a percentage of the Group total	%	100	27	7	5	54	7
Scope 2 emissions as percentage of the Group total	%	100	75	1	9	14	1
<b>Waste generated categorised</b>							
Hazardous waste	Tonnes	21 453	4 416	264	193	16 337	243
Non-hazardous waste	Tonnes	65 451	1 946	196	366	61 077	1 866
Total waste generated	Tonnes	86 904	6 362	460	559	77 414	2 109
<b>Waste generated by disposal method</b>							
Biological treatment	Tonnes	117	—	—	—	117	—
Composting	Tonnes	41	—	—	—	39	2
Energy recovery	Tonnes	2 340	1 321	—	—	1 019	—
Reclamation	Tonnes	2 512	—	—	—	2 512	—
Recycling	Tonnes	30 660	2 702	93	309	26 067	1 489
Reuse	Tonnes	36 599	6	7	—	36 584	2
Total waste recycled	Tonnes	72 269	4 029	100	309	66 338	1 493
Co-processing	Tonnes	204	—	—	—	—	204
Incineration	Tonnes	7 384	41	256	122	6 916	49
Landfill	Tonnes	2 683	1 767	104	117	398	297
Thermal desorption	Tonnes	495	495	—	—	—	—
Treatment plant	Tonnes	3 869	30	—	11	3 762	66
Total waste disposed	Tonnes	14 635	2 333	360	250	11 076	616
Total waste generated	Tonnes	86 904	6 362	460	559	77 414	2 109
Waste generated per region	%	100	7	1	1	89	2
Waste recycled as a percentage of waste generated	%	83	63	22	55	86	71

\* Carbon footprinting is calculated in accordance with the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard. DEFRA 2018 and local emission factors, for natural gas and electricity, have been used to calculate the GHG emissions. The emission factors used in the calculations take into account the seven main GHGs that contribute to climate change. Biogenic emissions are not calculated or measured.

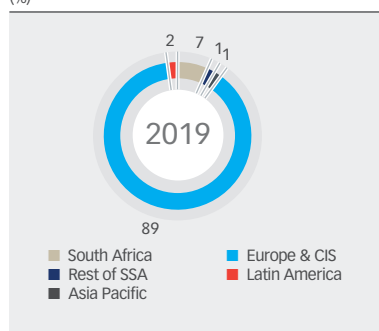
# Natural capital continued

		SSA					Latin America
		Group	South Africa	Rest of SSA	Asia Pacific	Europe & CIS	
<b>Spillages</b>							
Number of spillages	Number	5	—	—	—	5	—
Volume of spillages	kℓ	8,1	—	—	—	8,1	—
Material of spillages							Scrubber liquid & Cooling methanol
Impact of spillages on the environment							None to Limited impact

**Waste generated by disposal method (86 904 tonnes)**  
(%)



**Waste generated by region (86 904 tonnes)**  
(%)



## Managing the efficient utilisation of scarce resources

Material KPIs		2019	2018	2017	2016	2015
Water withdrawn	Mℓ	<b>1 693</b>	1 584	1 667	1 789	1 833
Electricity used	GJ	<b>689 873</b>	663 557	692 449	689 048	696 437
Additional KPIs		2019	2018	2017	2016	2015
Water withdrawn by region						
South Africa	Mℓ	<b>366</b>	306	383	321	310
Rest of SSA	Mℓ	<b>72</b>	158	143	57	53
Asia Pacific	Mℓ	<b>53</b>	45	42	47	44
Europe & CIS	Mℓ	<b>1 075</b>	922	943	1 204	1 265
Latin America	Mℓ	<b>127</b>	153	156	160	161
Group	Mℓ	<b>1 693</b>	1 584	1 667	1 789	1 833
Water by source and destination						
Water withdrawn by source*	Mℓ	<b>1 693</b>	1 584	1 667	1 789	1 833
Third party (Municipal)	Mℓ	<b>1 134</b>	1 206	1 357	1 285	1 494
Ground	Mℓ	<b>559</b>	378	310	504	339
Water discharged by destination	Mℓ	<b>1 308</b>	1 220	1 226	1 447	1 460
Third party (Municipal)	Mℓ	<b>1 279</b>	1 191	1 212	1 439	1 460
Water recycled for third-party use (donated)	Mℓ	<b>29</b>	29	14	8	—
Water consumed	Mℓ	<b>385</b>	364	441	342	373
Recycled water	Mℓ	<b>12</b>	19	24	21	1
Electricity used						
South Africa	GJ	<b>404 382</b>	370 302	388 242	353 346	328 949
Rest of SSA	GJ	<b>14 991</b>	13 243	12 365	11 512	14 706
Asia Pacific	GJ	<b>47 331</b>	46 109	46 829	52 332	69 577
Europe & CIS	GJ	<b>173 495</b>	183 224	195 559	221 015	231 865
Latin America	GJ	<b>49 674</b>	50 679	49 454	50 843	51 340
Group	GJ	<b>689 873</b>	663 557	692 449	689 048	696 437

### Additional KPIs for 2019 per region

	Group	SSA					
		South Africa	Rest of SSA	Asia Pacific	Europe & CIS	Latin America	
<b>Water</b>							
<b>Water withdrawn by source</b>							
Third party (Municipal)	Mℓ	<b>559</b>	—	<b>27</b>	—	<b>468</b>	<b>64</b>
Ground	Mℓ	<b>1 134</b>	<b>366</b>	<b>45</b>	<b>53</b>	<b>607</b>	<b>63</b>
Total volume of water withdrawn	Mℓ	<b>1 693</b>	<b>366</b>	<b>72</b>	<b>53</b>	<b>1 075</b>	<b>127</b>
<b>Water discharged by destination</b>							
Third party (Municipal)	Mℓ	<b>1 279</b>	<b>272</b>	<b>5</b>	<b>34</b>	<b>933</b>	<b>35</b>
Water recycled for third-party use (donated)	Mℓ	<b>29</b>	—	—	—	—	<b>29</b>
Total Water discharged	Mℓ	<b>1 308</b>	<b>272</b>	<b>5</b>	<b>34</b>	<b>933</b>	<b>64</b>
Quality of water discharged		<b>Compliant with the required municipal standards with minor non-compliances experienced at the facility in Johannesburg during the year.</b>					
<b>Recycled water</b>							
Water recycled for own use	Mℓ	<b>12</b>	<b>10</b>	—	—	—	<b>2</b>
Water consumed	Mℓ	<b>385</b>	<b>94</b>	<b>67</b>	<b>19</b>	<b>142</b>	<b>63</b>

# Natural capital continued

## Water stressed areas\*

		Extremely high and high water stressed	Medium-high to low water stressed	Total
Water withdrawn	Mℓ	238	1 455	1 693
Water discharged	Mℓ	130	1 178	1 308
Water consumed	Mℓ	108	277	385
Water withdrawn	%	14	86	100
Water discharged	%	10	90	100
Water consumed	%	28	72	100

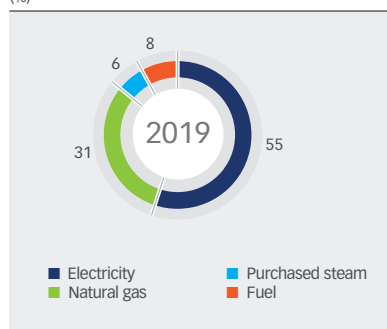
\* as determined by the World Resource Institute in the Aqueduct World Risk Atlas

		Group	SSA				Latin America
			South Africa	Rest of SSA	Asia Pacific	Europe & CIS	
<b>Energy consumption</b>							
Electricity	GJ	689 873	404 382	14 991	47 331	173 495	49 674
Natural gas (excluding natural gas used to produce steam consumed by third parties)	GJ	396 832	—	—	42 181	296 123	58 528
Steam purchased	GJ	77 031	77 031	—	—	—	—
Fuel	GJ	99 241	83 665	13 783	15	1 152	626
Total energy consumption	GJ	1 262 977	565 078	28 774	89 527	470 770	108 828
Natural gas used to produce steam consumed by third parties	GJ	138 655	—	—	—	138 655	—
<b>Resource savings*</b>							
Volume of water saved	Mℓ	12 803	4 000	—	—	8 503	300
Electricity saved	GJ	332 461	—	97 854	—	230 000	4 607
<b>Environmental monetary fines and non-monetary sanctions issued by Authorities</b>							
Number of non-monetary sanctions	Number	2	0	1	0	1	0
Number of monetary fines	Number	1	1	0	0	0	0
Total number of sanctions and fines	Number	3	1	1	0	1	0
Total monetary value of fines	Rand	12 900	12 900	—	—	—	—

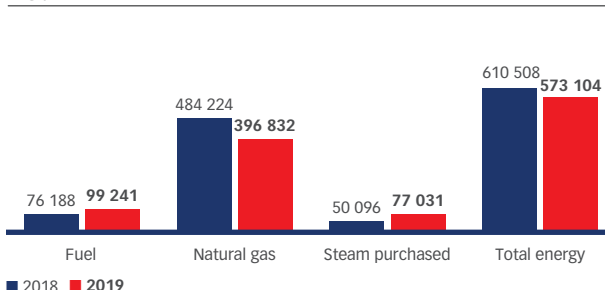
\* Amounts reported have either been estimated or measured internally and have not been subject to audit.

## Energy usage by source type (1 262 977 GJ)

(%)



## Energy usage by source type excluding electricity (Gigajoules)



# Financial capital

(This information is designed to supplement the disclosures made in pages 88 to 92 of the Integrated Report.)

## Adding economic value to stakeholders

Material KPIs		2019	2018	2017	2016	2015
Revenue growth (%)	%	1,5	3,4	15,9	(1,6)	22,4
NHEPS growth	%	(6,9)	9,7	15,8	10,3	7,7
Normalised EBITDA growth	%	(1,9)	5,4	13,0	3,9	19,1
Normalised EBITDA margin	%	27,8	28,8*	27,7	28,4	26,9
Return on ordinary shareholders' equity	%	12,3	13,4*	12,2	10,6	17,0

\* The 2018 figure for the normalised EBITDA margin and return on ordinary shareholders' equity has been restated from 28,2% to 28,8% and 12,2% to 13,4%, respectively, to take into account the discontinued operations and the retrospective adjustment in respect of the new accounting standards.

Additional KPIs		2019	Restated 2018	2017	2016	2015
Weighted number of permanent employees	Number of employees	9 289	9 128	9 155	9 174	9 056
Revenue	R'million	38 872	38 314	41 213	35 559	36 127
Value added from operations	R'million	14 371	17 304	16 615	17 642	15 440
Revenue per employee	R'000	4 185	4 197	4 161	3 386	3 508
Value added per permanent employee <sup>#</sup>	R'000	1 547	1 896	1 815	1 923	1 705
Wealth per employee	R'000	1 594	1 933	1 846	1 957	1 747

### Components of value distribution as a percentage of the total

Employees	%	55	43	42	41	37
Finance costs	%	16	12	14	18	15
Capital distribution and dividends paid to shareholders	%	10	7	7	5	5
Governments	%	9	7	8	10	10
Reinvested in the Group	%	10	31	29	26	33

# The value added per employee using the total weighted number of employees of 10 001 (2018: 9 786, with the inclusion of total temporary employees, is R1 437 thousand (2018: R1 768 thousand).

## Maintenance of financial health

Material KPIs		2019	2018	2017	2016	2015
Operating cash flow per share	Cents	1 319,3	1455,3*	1 421,4	706,7	1 060,3
Leverage ratio	Ratio	3,62	3,78	3,25	3,31	3,06

\* The 2018 figure for operating cash flow per share has been restated from 1 537,3 cents to 1 455,3 cents to take into account the discontinued operations and the retrospective adjustment in respect of the adoption of the new accounting standards.

Additional KPIs		2019	Restated 2018	2017	2016	2015
Net interest cover	Times	3,2	6,3	5,8	6,1	6,2
<b>Capital composition</b>						
Net borrowings	R'million	38 984	46 780	37 131	32 694	30 049
International	R'million	29 634	34 708	25 860	19 849	15 104
South Africa	R'million	7 661	9 932	8 706	10 071	9 754
Asia Pacific	R'million	1 689	2 140	2 565	2 774	5 191
Total shareholders' equity	R'million	54 213	49 375	43 138	42 535	34 162
Capital	R'million	93 197	96 155	80 269	75 229	64 211



# Abbreviations

Abbreviation	Full name
AA1000	The AA1000 Assurance Standard (Revised, 2008) (Type II Moderate level), is a standard for assessing and strengthening the credibility and quality of organisation's economic, social and environmental reporting
Alphamed	Alphamed Formulations Private Limited
Asia Pacific	Includes Australasia, China, Japan and Other Asia
Aspen and/or Group	Aspen Pharmacare Holdings Limited and/or its subsidiaries
API Inc.	Aspen API Incorporated, incorporated in the United States
Bad Oldesloe	The manufacturing site based in Bad Oldesloe, Germany
BBBEE	Broad-Based Black Economic Empowerment
DIFR	Disabling injury frequency ratio
Normalised EBITDA	Normalised EBITDA, comprising of operating profit before depreciation and amortisation adjusted for specific non-trading items
Empowerdex	An independent economic empowerment rating agency in South Africa
ERM	Environmental Resources Management (Pty) Limited
Europe & CIS	Europe and the Commonwealth of Independent States and the former Soviet Union. Includes Developed and Developing Europe
FCC	Fine Chemicals Corporation (Pty) Limited
GHG	Greenhouse gas
GJ	Gigajoules
Internal Audit	The Aspen Group Internal Audit function
International	Includes all businesses except for those in Asia Pacific and South Africa
Kama	Kama Industries Limited
KPA	Key performance area
KPI	Key performance indicator
LWDFR	Lost work day frequency ratio
Mandela Day	The Nelson Mandela International Day
Mℓ	Megalitres
Melbourne	The manufacturing site based in Dandenong, Melbourne in Australia
NHEPS	Normalised headline earnings per share
Notre Dame de Bondeville	The manufacturing site based in Notre Dame de Bondeville in France
Oss	The manufacturing sites based in Moleneind, De Geer and Boxtel in the Netherlands and the API Inc., a API manufacturing site in Sioux City, USA
PwC	PricewaterhouseCoopers Inc.
Rand	South African Rand
Rest of SSA	Includes Accra, Ghana; Dar es Salaam, Tanzania; Kampala, Uganda; Lagos, Nigeria; and Nairobi, Kenya
Rest of World	Includes Canada, Middle East, North Africa and the United States of America
SED	Socio-economic development
South African operations	The manufacturing sites in Port Elizabeth, East London and Johannesburg
SSA	Sub-Saharan Africa, which includes South Africa and Rest of SSA
Rest of SSA operations	The manufacturing sites in Dar es Salaam, Tanzania and Nairobi, Kenya
tCO <sub>2</sub> e	Tonnes of carbon dioxide equivalent
USD	US Dollar
Vallejo	The manufacturing site based in Vallejo, Mexico
Vitória	The manufacturing site based in Vitoria, Brazil

# Calculation of ratios supporting material sustainability KPIs

Ratio	Calculation
Average staff turnover (%)	$\frac{\text{Total number of permanent employee departures excluding business disposals}}{\text{Average number of permanent employees}}$
Average training spend per employee (Rand)	$\frac{\text{Total investment in employee training during the year + value of bursaries granted}}{\text{Average number of permanent employees}}$
DIFR (ratio)	$\frac{\text{Sum of qualifying disabling incident* cases x 200 000}}{\text{Number of employee hours worked over rolling 12 months}}$ <i>(* A disabling incident includes a work related injury that results in death, permanent disability or temporary disability. Disabling injuries include lost work day cases, restricted work day cases and occupational diseases and excludes minor (first aid level) injuries.)</i>
Gross profit percentage	$\frac{\text{Gross profit from continuing operations}}{\text{Revenue from continuing operations}}$
Leverage ratio <sup>^</sup>	$\frac{\text{Net debt}^{\wedge}}{\text{Normalised EBITDA}^{\wedge}}$
LWDFR (ratio)	$\frac{\text{Sum of qualifying lost work day incident cases* x 200 000}}{\text{Number of employee hours worked over rolling 12 months}}$ <i>(* A lost work day occurs when an employee, as a result of the injury, or disease, is unable to carry on with all normal duties on the next day or shift (including weekends, off duty days and public holidays), as verified by a medical practitioner.)</i>
NHEPS growth (%)	$\frac{\text{NHEPS (current year) – NHEPS (prior year)}}{\text{NHEPS (prior year)}}$
Normalised EBITDA growth (%)	$\frac{\text{Normalised EBITDA from continuing operations (current year) – Normalised EBITDA from continuing operations (prior year)}}{\text{Normalised EBITDA from continuing operations (prior year)}}$
Normalised EBITDA margin (%)	$\frac{\text{EBITDA from continuing operations}}{\text{Revenue from continuing operations}}$
Normalised headline earnings from continuing operations	Normalised headline earnings from continuing operations are headline earnings from continuing operations adjusted for specific non-trading items, being transaction costs and other acquisition and disposal-related gains or losses (including any gains or losses arising from the re-measurement of the fair value of liabilities for future contingent and/or milestone payments relating to intangible asset acquisitions accounted for under the cost accumulation method), restructuring costs, settlement of product-related litigation costs, net monetary adjustments and currency devaluations relating to hyperinflationary economies and significant once-off tax provision charges or credits arising from the resolution of prior year tax matters
Percentage of black employees	$\frac{\text{Permanent black* employees in South Africa}}{\text{Permanent employees in South Africa}}$ <i>(*as defined in the Employment Equity Act)</i>
Percentage of female employees	$\frac{\text{Permanent female employees}}{\text{Total permanent employees}}$
Operating cash flow per share (cents)	$\frac{\text{Cash generated from operating activities}}{\text{Weighted number of shares in issue}}$
Return on ordinary shareholders' equity (%)	$\frac{\text{Profit attributable to equity holders of the parent}}{\text{Weighted average ordinary shareholders' equity}}$
Return on total assets (%)	$\frac{\text{Normalised EBITDA from continuing operations}}{\text{Total weighted average assets (excluding cash and cash equivalents and assets classified as held-for-sale)}}$
Revenue growth from continuing operations (%)	$\frac{\text{Revenue (current year) from continuing operations – Revenue from continuing operations (prior year)}}{\text{Revenue from continuing operations (Prior year)}}$

<sup>^</sup> Calculated in accordance of the Group's long-term debt agreements.

**Disclaimer**

We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “prospects”, “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “indicate”, “could”, “may”, “endeavour” and “project” and similar expressions are intended to identify such forward looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward looking statements will not be achieved.

If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements are discussed in each year’s Annual Report. Forward looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.



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