

Mandate, role and responsibilities of the Social & Ethics Committee

The Aspen Social & Ethics Committee (“Committee”) is established in terms of a formal Terms of Reference, as reviewed and approved by the Board from time to time and in terms whereof its mandate, role and responsibilities are confirmed. It performs the responsibilities as determined in terms of the Companies Act of South Africa (2008) and as assigned to it by the Board. The Committee conducts its affairs in compliance with these Terms of Reference and discharges its responsibilities contained therein, as well as in the Companies Act.

Committee members and attendance at meetings

In accordance with the relevant provisions of the Companies Act and applying the recommendations of King IV, the Social & Ethics Committee consists of a majority of independent non-executive directors, including one of whom chairs the Committee. The Group Chief Corporate Services Officer is also a member of this Committee. Members and the Chair of this Committee are elected by the Board.

Senior executives of the Group attend meetings of the Committee as appropriate. A quorum for this meeting is met when a majority of members is present. In accordance with its Terms of Reference, the Committee meets at least four times annually, but more frequently if necessary.

The Chair of the Committee represents the Social & Ethics Committee at the annual general meeting of the Company each year in order to address any enquiries that may be raised and reports to shareholders as required in terms of the Companies Act. The Company Secretary & Group Executive: Governance & Communications is also the secretary of the Committee.

The Committee’s membership and attendance at meetings for each financial year is reported on in the Integrated Report.

Role and responsibilities

The Committee has an independent role with accountability to the Board and to shareholders. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers, and other senior members of management.

Ethics management and Code of Conduct

The Committee assists and guides the Board to fulfil its responsibilities in respect of adopting the necessary Group policies, strategies and structures to manage social and ethical issues. These aspects are detailed below.

Ethics management

A formalised ethics management programme is implemented annually at all of the Group's businesses. This programme is managed by the Group Head: Ethics & Compliance (reporting to the Group Executive: Governance & Communications), under the direction of the Social & Ethics Committee and is aimed at:

- Assisting the Audit & Risk Committee and the Social & Ethics Committee in assessing our ethics profile, risks and opportunities; and
- Assisting the Social & Ethics Committee to monitor the implementation and compliance with our policies which guide expected ethical behaviour.

This programme is implemented with the assistance of Regional Ethics & Compliance Officers who are responsible for ensuring that a minimum set of ethics-related actions are performed at each of our businesses and which are aimed at creating awareness with key internal and external stakeholders of:

- Our values, particularly the value of integrity, our ethics-related policies and procedures and our commitment to acting as a responsible and caring corporate citizen;
- The availability of an anonymous tip-off line, how it operates and how protected disclosures may be made; and
- The consequences of unethical conduct and our zero-tolerance approach to unethical conduct.

Mandate, role and responsibilities of the Social & Ethics Committee

The Group Executive: Governance & Communications provides assurance to the Social & Ethics Committee in respect of the annual completion of the essential elements of the ethics programme by submitting a certification confirming the completion of these elements. The Group's internal audit function provides additional assurance to the Committee in respect of the satisfactory implementation of the programme as it conducts regular and targeted risk-based reviews to confirm that appropriate implementation of the programme throughout the Group.

Tip-Offs Anonymous Hotline and other whistleblower reports

An independently monitored whistleblowing hotline, Deloitte's Tip-Offs Anonymous, is available to all our stakeholders who may use the hotline to report suspected fraud and/or any other activities that are considered to be transgressions of our Code of Conduct or any of our other policies and procedures.

Reports detailing the tip-offs received, how these tip-offs have been investigated and the corrective measures taken, are submitted to the Audit & Risk Committee and Social & Ethics Committee on a quarterly basis. The Committee reviews the detailed reports, and a summary of the number and nature of tip-offs received during the year is provided in the Social and relationship capital section of the Integrated Report on an annual basis.

Code of Conduct

Aspen has a zero-tolerance approach to unethical behaviour and is committed to ensuring that the Group and its employees uphold Aspen's reputation as a responsible and caring corporate citizen. Our Code of Conduct is a values-based policy document that governs the conduct of all of our employees and is aligned with the Organisation for Economic Cooperation and Development's ("OECD") recommendations regarding corruption and the 10 principles set out in the United Nations Global Compact ("UN Global Compact"). The application of this Code and how it is adhered to throughout the Group forms part of the Committee's overview in respect of Group's ethics management programme.

Areas covered in our Code of Conduct include:

- acting in accordance with our values;
- equitable treatment for all;
- acting as ambassadors of Aspen;
- business integrity;
- gifts, entertainment and bribery;
- integrity of qualitative and quantitative information;
- protection and use of property;
- business controls;
- confidential information;
- insider trading;
- safety, health, quality and the environment;
- anti-competitive behaviour;
- political activities;
- compliance;
- accountability; and
- corporate governance.

All new employees are given a copy of, and are required to sign an acceptance of, the Code of Conduct on commencement of their employment with the Group. The Code of Conduct, which has been translated to all of the primary languages spoken by employees throughout the Group, is available to all employees on our intranet and is also contained in the employee handbook. This Code is also available online.

Our induction programmes across the Group are intended to educate new employees on the ethics, values and the business philosophy of the Group.

Mandate, role and responsibilities of the Social & Ethics Committee

Our service providers and suppliers are required to adhere to our Code of Conduct for Suppliers and Service Providers in accordance with terms and conditions included in agreements with these stakeholders.

Conflicts of interest

The Board has adopted a formal policy to regulate conflicts of interest. Directors or employees who encounter such conflicts are required to formally declare such conflicts of interest for these to be considered by the appropriate forum, which is to provide direction as to how such conflicts are to be resolved and recorded.

We also have a formal policy that deals with trading in Aspen's securities. This policy, which incorporates the JSE Listings Requirements and the requirements of the Financial Markets Act, 2012, prohibits any trade in the Company's shares by any director or prescribed officer, their associates or executive employees of the Group who may access to inside information during a closed period or while they are in possession of inside information. The Group has two formal closed periods, commencing 24 hours prior to the close of the interim reporting period (31 December) and the financial year end (30 June) up to the end of 24 hours after the respective results announcement is made. In addition, we may declare other closed periods or restrict dealing in the Company's shares at any other time if directors and employees have access to potentially price-sensitive information that is not in the public domain. Directors or Prescribed Officers (including directors of any of its material subsidiaries) and the Company Secretary and Group Executive: Governance & Communications may only trade with prior written approval from the Chairman. Such approval is sought and coordinated through the office of the Company Secretary and Group Executive: Governance & Communications. An announcement of all directors' share dealings is published in compliance with the JSE Listings Requirements.

The application of these policies and how they are adhered to throughout the Group forms part of the Committee's overview in respect of Group's ethics management programme.

Human rights and labour practices

Our Code of Conduct, which has been translated to all of the primary languages spoken by employees throughout the Group, requires all employees and others to be treated with fairness, equality and respect to foster an open, transparent, progressive and trusting environment that is free from prejudice, discrimination, bias, harassment and/or violation. The reference to discrimination includes gender, race, physical health, sexual orientation and/or belief (religious) systems.

The Committee monitors the implementation of policies and procedures that apply to the Group as a whole in respect of the application of the letter and the spirit of the 10 principles set out in the UN Global Compact. These principles deal, inter alia, with human rights, basic labour rights, environmental responsibilities and the fight against corruption.

Treating employees fairly

Our employees are free to belong to employee trade unions and collective bargaining groups. A detailed explanation of our recognition of employees' rights to belong to trade unions and collective bargaining groups is provided in the Integrated Report.

For further information on how we engage our employees and the rights they enjoy, please refer to the reporting on our Human capital in the Integrated Report.

Mandate, role and responsibilities of the Social & Ethics Committee

Promoting BBBEE in South Africa

One of the primary roles of the Committee is to assist the Board in ensuring that it discharges its fiduciary duties and obligations in respect of the South African businesses' transformation in accordance with approved policy. The Board recognises the critical role it plays in the development and empowerment of historically disadvantaged individuals in South Africa and that transformation is essential to the economic and social sustainability of the country. The Committee, which is responsible for developing and implementing the Group's transformation strategy, while striving to ensure that management embraces transformation across the South African businesses, ensures alignment with the revised Department of Trade and Industry's BBBEE Act, and the associated Codes of Good Practice.

The Committee defines clear guidelines and objectives for each of the five elements of the revised BBBEE Codes and has an ongoing responsibility to monitor and review all aspects of our BBBEE strategies. More information on our BBBEE philosophy and our transformation performance is provided in our BBBEE report, available online, and in our Social and relationship capital report in the Integrated Report.

Environment, health and safety

The Committee monitors the Group's activities in respect of the environment, health and safety (including employees and the public) and does so while having regard to any relevant legislation, other legal requirements or prevailing codes of best practice. For more information on the Group's activities in this regard please refer to the reports on our Human capital in the Integrated Report and on our Natural capital in the Integrated Report, as well as the Sustainability Data Supplement (available online).

Responsible and caring corporate citizenship

Our vision to deliver value to our stakeholders as a responsible and caring corporate citizen in line with our core values of making quality and effective healthcare solutions accessible to millions of patients in more than 150 countries is contained in our responsible corporate citizenship philosophy (available online).

Please refer to our reporting on our Social and relationship capital in our Integrated Report for further information on our contributions to communities and the SED projects we have supported during the year.

The Committee reviews our engagements with consumers and the status of consumer relationships, monitoring complaints and pharmacovigilance reports in respect of our products and receiving quarterly reporting on the material matters affecting consumers who use our products.