



Corporate Brochure
2021

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Forward looking statements


This corporate brochure contains certain forward-looking statements with respect to our future performance and prospects. While these statements represent our judgements and future expectations at the time of preparing this document, a number of emerging risks, uncertainties and other important factors could cause actual results to differ materially from our expectations. These include factors that could adversely affect our business and financial performance. Forward looking information is not audited.

Refer to our disclaimer on  page 27.

Feedback and contact

We value feedback from our stakeholders and use it to ensure that we are reporting appropriately on the issues that are most relevant to them. Please use the online contact form or email the Company

Secretary & Group Executive: Governance & Communications at rverster@aspenpharma.com

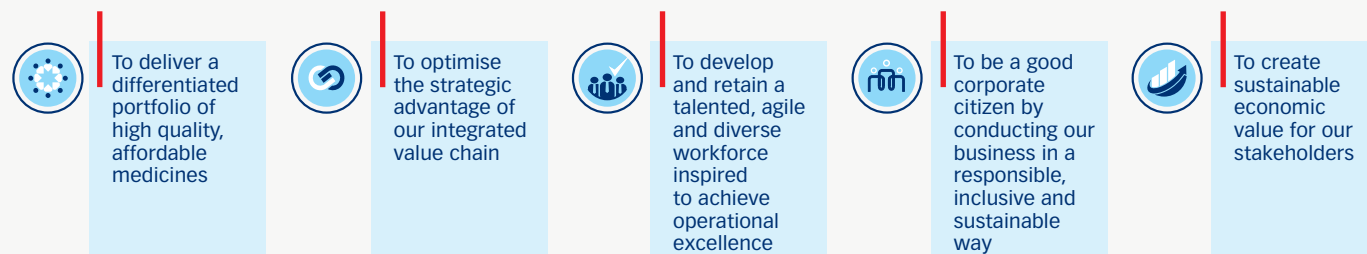
 Page references within this Corporate Brochure relate to the 2021 Integrated Report, unless detailed under Contents.

Navigation

Throughout our corporate brochure, we use the following icons to show the connectivity between our strategic objectives, our capitals and the value we create for our key stakeholders.

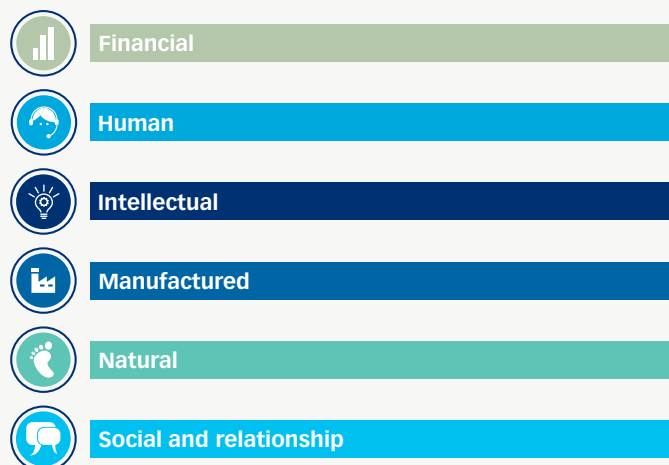
Our strategic objectives

Our strategic objectives provide the foundation to deliver our strategy of creating long-term value for our stakeholders.





Our capitals

Value creation, preservation and erosion are the consequences of how we apply and leverage our unique value drivers within our six capitals to effectively execute our strategy and implement our business activities.



Other navigation icons

	This icon indicates that further information is available online
	This icon directs you to further information in this brochure

Our key stakeholders

Our ongoing engagement with our key stakeholders enhances our relationship with them and improves our understanding of their needs, concerns and expectations.



The Integrated Report and Supplementary Documents are available online.

 www.aspenpharma.com

About Aspen

Aspen Pharmacare Holdings Limited (the Company or Aspen and, when referred to with inclusion of all its subsidiaries, the Group) is a South African headquartered company listed on the Johannesburg Stock Exchange ("JSE").

We are a global specialty and branded pharmaceutical company, improving the health of patients across the world through our high quality, affordable medicines. Active at every stage of the value chain, we are uniquely diversified by geography, product and manufacturing capability.

Our business segments

We focus on marketing and manufacturing a broad range of post-patent, branded medicines and domestic brands covering both hospital and consumer channels through our key business segments.



Commercial Pharmaceuticals



46%
of total revenue

Regional Brands – a widely diverse range of trusted medicines with a strong domestic or regional presence.



28%
of total revenue

Sterile Focus Brands – comprising our branded products in anaesthetics and thrombosis therapy areas.



Manufacturing

26%
of total revenue

Internal and third party supply of chemical and biochemical APIs and finished dose form ("FDF") pharmaceuticals.

Total revenue
R37,8 billion
from continuing
operations

Our people

Our greatest strength is our diverse and talented team who work together every day, united in our purpose to improve the health and quality of life of patients.



Approximately
9 100
employees in 69 offices
in over 50 countries
and territories



52%
Men



48%
Women

Our global presence

Headquartered in South Africa, we have a strong presence in both emerging and developed markets.

65%

of Commercial Pharmaceuticals
revenue from emerging markets

<https://www.aspenpharma.com/global-presence/>

Our manufacturing capabilities

Our manufacturing capabilities span a wide variety of product types including steriles, oral solid dose, liquids, semi-solids, biologicals and active pharmaceutical ingredients ("APIs"). Our manufacturing sites hold international approvals from some of the most stringent global regulatory agencies.

7

Active pharmaceutical
ingredient facilities

23

Facilities

16

Finished dose form facilities

<https://www.aspenpharma.com/manufacturing-capabilities/>

About Aspen continued

Delivering value through our purpose

We believe that everyone should have access to the medicines they need to live a healthy and fulfilled life.

In the midst of the COVID-19 pandemic, this sense of purpose drives our actions to find innovative solutions to support the global efforts aimed at ensuring that patients everywhere get the medicines they need.

We have adapted our production schedules and supply chains to be responsive to the changing demand for medicines used in the treatment of critically ill patients.

We have prioritised the health and safety of our employees and contributed to the health response in the communities in which we operate.

We are particularly proud of being selected by Janssen Pharmaceuticals Inc. and Janssen Pharmaceuticals NV, two of the Janssen Pharmaceutical Companies of Johnson & Johnson to manufacture their COVID-19 vaccine (the "Johnson & Johnson COVID-19 vaccine") at our flagship Gqeberha-based manufacturing site in South Africa. This is a positive step forward in developing our technological know-how and capacity to contribute to meeting the needs of patients in Africa and around the world.

In everything we do, we have one common goal – to deliver high quality, affordable medicines to the patients who need them.

Through these actions we have been true to our credo of **Healthcare. We Care.**

Our purpose
To improve the health and quality of life of patients.



Our vision

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

Our values

Defining the foundation on which Aspen has been built. These are the values we share as we work together toward achieving the vision of the Group.

Our commitment to sustainability

Delivered through our four sustainability pillars, our commitment is to create value for our stakeholders in a manner that is responsible, transparent and respects the rights of all.



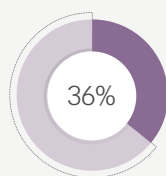
Our global presence

We supply medicines to more than 150 countries through 69 established offices in more than 50 countries and territories

Key:

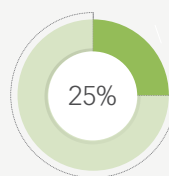
- Group headquarters
- Combined sales, marketing, distribution and manufacturing centres
- Sales, marketing and distribution centres
- Marketing centres
- Branch representative offices
- Manufacturing sites
- Sales, marketing, distribution and support centres
- Support centre
- New product development and manufacturing site

Contribution to Revenue



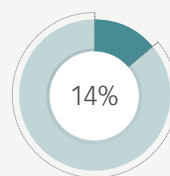
Europe CIS
R13 622 million
(2020 (CER): R12 091 million)

2 195 Permanent employees*



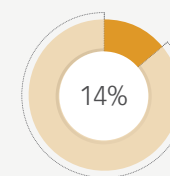
Africa Middle East
R9 523 million
(2020 (CER): R8 999 million)

3 866 Permanent employees*



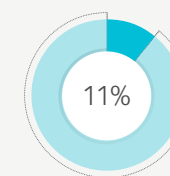
Australasia
R5 421 million
(2020 (CER): R5 053 million)

538 Permanent employees*



Asia
R5 194 million
(2020 (CER): R4 570 million)

1 214 Permanent employees*



Americas
R4 006 million
(2020 (CER): R3 682 million)

768 Permanent employees*

* Permanent employees excludes temporary employees (525).

Specific location details are provided www.aspenpharma.com/global-presence/

Our performance at a glance

Intellectual capital

- **Further reduced** instances of product recalls achieving a five-year low
- **Investment of over R444 million** in modernising our digital capabilities with a further R749 million budgeted for FY2022
- **57** products launched in 17 countries and territories

Social and relationship capital

- Supported **200 social economic development ("SED") projects** in 27 countries
- **Advanced level of ethical culture** as assessed by The Ethics Institute
- Aspen's 2020 Integrated Report was **ranked as "excellent"** by the Ernst & Young Inc. ("EY") Excellence in Integrated Reporting Awards

Manufactured capital

- **R2 045 million** invested in capital replacement and expansion projects
- **Continued** the production of life-saving medicines throughout the period of COVID-19 disruption
- **Fast-tracked** technical transfer and successfully commenced manufacture of the Johnson & Johnson COVID-19 vaccine

Natural capital

- **"C Awareness"** performance rating for 2020 Carbon Disclosure Project for Climate Change ("CDP-CC") and **"B- Management"** for Water Security ("CDP-WS")
- **82%** of waste generated recycled
- **9%** reduction in water withdrawn

Human capital

- **R43,2 million** invested in training our employees
- **Zero** occupational fatalities
- **26%** women in top management roles in the Group

Financial capital

- **Strong** operating cash flow conversion rate of 134%
- **Strengthened** our balance sheet, achieving a leverage ratio of 1,7 times
- **R6 351 million** of wealth created reinvested in the Group



Revenue from continuing operations increased by

12% (10% CER)
to R37 766 million

Normalised EBITDA* from continuing operations increased by

3% (1% CER)
to R9 945 million

Normalised headline earnings per share ("NHEPS") from continuing operations increased by

10% (7% CER)
to 1 309,7 cents

Net borrowings reduced to

R16 326 million
from R35 228 million

Resumption of dividends to shareholders of

262 cents per ordinary share
(2020: no dividend declared)

* Normalised EBITDA comprises operating profit before depreciation and amortisation adjusted for specific non-trading items defined in accounting policies of the Group's Annual Financial Statements.

Our investment case

Our vision inspires our actions

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

Global footprint with weighting towards emerging markets

Commercial and sales employees:



2 088
in emerging countries



304
in developed countries

Medicines supplied to more than
130 emerging and over **25** developed
countries

Diverse product portfolio with strong brand equity



176
medicines on the Essential Medicines List¹

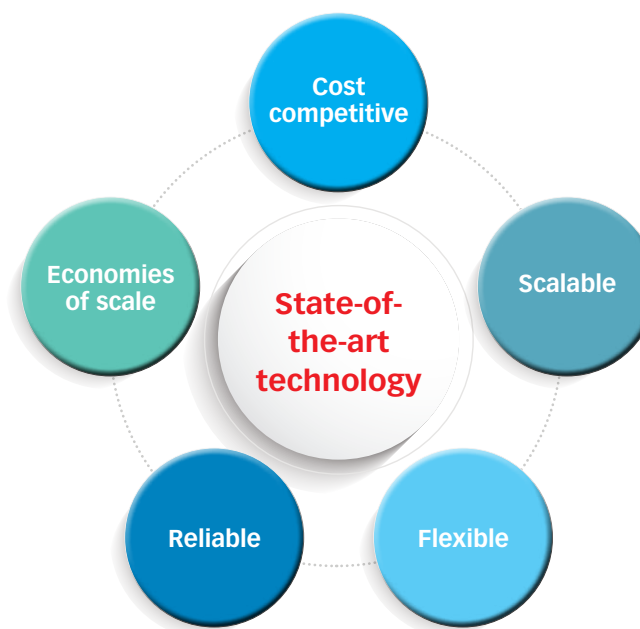


547
prescription branded and over-the-counter
("OTC") medicines

Our wide product portfolio of trusted
brands spanning most therapeutic areas
creates meaningful diversification

¹ World Health Organization Essential Medicines List

Strategically relevant manufacturing capital



Widely accredited and compliant
API and FDF manufacturing sites
with an increasing focus on complex
sterile capacities

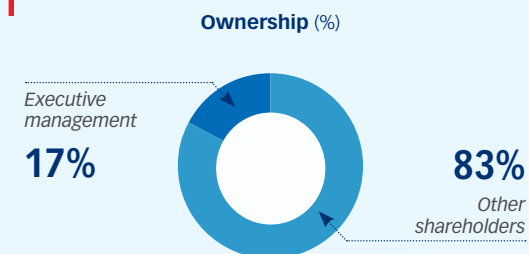
Responsible corporate citizen and trusted partner

Consistent inclusion in the
**FTSE/JSE Responsible
Investment
Index**
since 2016

Constituent
member of the
**FTSE4Good
Index**



Committed management team, strongly aligned with shareholders' interests



Entrepreneurial, decentralised
management teams with local expertise

Our manufacturing capabilities

Primary FDF sites

Gqeberha, South Africa

Unit 1 facility

Capability: High-volume solids manufacturing and packing for domestic and export markets.

Maximum output: 6 billion tablets.

Accreditation: ANVISA, EMA, HPRA, ISO 14001, ISO45001, PMPB, PPB – Kenya, SAHPRA, SAUDI FDA, TGA, UNDA, US FDA, WHO.

Unit 2 facility

Capability: Small to medium-volume solids manufacturing for domestic and export markets.

Maximum output: 4 billion tablets.

Accreditation: ANVISA, EMA, HPRA, ISO 14001, ISO45001, PMPB, PPB – Kenya, SAHPRA, SAUDI FDA, TGA, UNDA, US FDA, WHO.

Unit 3 facility

Capability: End state packing for domestic market.

Maximum output: 140 million packed units of tablets and capsules.

Accreditation: ISO 14001, ISO45001, SAHPRA.

Unit 4 facility

Capability: Hormonal and high potency solids manufacturing and packing for the domestic and export markets.

Maximum output: 950 million tablets (hormonal); 395 million tablets (high potency).

Accreditation: EMA, ISO 14001, ISO45001, LaSD, SAHPRA, TGA, Turkey MoH, US FDA.

Sterile facility SVP 1:

Multi-product suites A and B

Capability: Eye drops, ampoules, vials; aseptic and terminal sterilisation capability for domestic and export markets.

Maximum output: Suite A: Up to 42 million units of eye drops;

Suite B: Up to 25 million units of ampoules;

Up to 30 million units of liquid vials.

Accreditation:

Suite A: ISO 14001, ISO45001, SAHPRA, TGA, US FDA, WHO.

Suite B: EMA, ISO 14001, LaSD, OHSAS 18001, SAHPRA, TGA, US FDA, WHO.

Sterile facility SVP 2:

High potency suite

(Commercial production FY2021)

Capability: Liquid ampoules, vials and cartridges; emulsion ampoules, vials and cartridges; lyophilized vials; aseptic and terminal sterilisation capability for domestic and export markets.

Maximum output:

Suite C, D and E:

90 million units (container size and bulk batch dependent)

Accreditation: Regulatory inspections pending (project phase).

LaSD tentatively planned, SAHPRA (all suites) and TGA (suite C)

Notre Dame de Bondeville, France

Sterile prefilled syringe manufacturing site

Capability: Aseptic and terminally sterilised prefilled syringe manufacturing and packing for domestic and export markets.

Maximum output: 85 million syringes (Etna line); 130 million syringes (Stromboli line); 180 million syringes (Vesuve line)

Accreditation: ANSM, ANVISA, ASN, HPB, ISO 14001, ISO 45001, ISO 50001, PMDA, US FDA.

New anaesthetics facility under construction

(Commercial production FY2023)

Capability: Aseptic and terminally sterilised blow-fill seal ampoule and polybag manufacturing and packing for domestic and export markets.

Bad Oldesloe, Germany

Multi-dose form site

(Ramp-up of additional commercial production is expected over the next two years. Capacity will be included in maximum output below as and when it becomes available).

Capability: Solid dose forms, oral and topical liquids, semi-solids and blow-fill seal, manufacturing and packing for domestic and export markets.

Maximum output:

3,3 billion tablets; 6 240 tonnes of liquids; 1 404 tonnes of topical liquids; 351 tonnes of semi-solids, 60 million units for blow-fill seals.

Accreditation: ANVISA, GRA, IRA, ISO 14001, ISO 45001, ISO 50001, LRA, PPB – Kenya, PMDA, TGA, US FDA.

API facilities

Cape Town, South Africa

Capability: Specialised API and high potency manufacturing for domestic and export markets. Large diversity of reactor MOC and sizing ranging from 20l pilot lab to 6000 l commercial scale. OEL 1ug / m³ – 50ng / m³.

Maximum output:

Commercial volume batch sizes ranging from 4 kg to 500 kg

Output of 46 000 kg per annum.

Accreditation: EDQM, ISO 14001, ISO 45001, PMDA, SAHPRA, US FDA.

Notre Dame de Bondeville, France

Nadroparin & Certoparin facility

Nadroparin

Capability: Specialised biochemical API – conversion of heparin to nadroparin.

Maximum output:

200 batches of nadroparin.

Accreditation: ANSM, ISO 14001, ISO 45001, ISO 50001.

Certoparin

Capability: Specialised biochemical API – conversion of heparin to certoparin.

Maximum output:

45 batches of certoparin.

Accreditation: BfAarm, ISO 14001, ISO 45001, ISO 50001.

Fondaparinux facility

Capability: Specialised chemical API – purification by chromatography of fondaparinux.

Maximum output:

34 batches of fondaparinux sodium.

Accreditation: ANSM, ANVISA, ISO 14001, ISO 45001, ISO 50001, KFPA, PMDA, TRA, US FDA.

Sioux City, United States of America

Capability: Specialist biochemical API – heparin intermediates.

Maximum output:

Biologicals – capacity is measured on demand – dependent on product mix.

Accreditation: Re-registration for US FDA.

Oss, The Netherlands

De Geer site

Capability: Specialised hormonal and chemical APIs: wet chemical multipurpose capability, final powder handling (milling/sieving) and solvent recovery by distillation.

Maximum output:

Installed reactor capacity: 114m³ with reactor size between 2m³ and 10m³ beside bulk tank storage capability.

Accreditation: ANVISA, EMA, ISO 14001, ISO 45001, KFPA, PMDA, Russia MoH, US FDA.

Moleneind site

Capability: Specialised biochemical, hormonal and chemical APIs. Dedicated biochemical reactors, multipurpose chemical reactors and dedicated solvent recovery unit.

Maximum output:

Installed chemical reactor capacity (small molecule API + peptides): 59m³;

Biochem reactor capacity: 245m³ beside multiple storage capacity.

Accreditation: ANVISA, EMA, ISO 14001, ISO 45001, KFPA, PMDA, Russia MoH, US FDA.

Boxtel site

Capability: Specialised biochemical API – gonadotrophin intermediates and virus filtered API.

Maximum output:

Measured on demand.

Accreditation: EMA, ISO 14001, ISO 45001, PMDA, US FDA.

The maximum output is an estimate based on a number of assumptions regarding product mix and complexity, batch size, type and size of products, and overall equipment effectiveness.

Regional facilities

Melbourne, Australia

Dandenong

Capability: High-volume solids, liquids and semi-solids.

Maximum output: 3 billion tablets; 90 million sachets; 12 tonnes semi-solids; 2 200 tonnes liquids.

Accreditation: ISO 14001, ISO 45001, TGA.

Vitória, Brazil

Capability: Small to medium-volume solids, liquids and semi-solids.

Maximum output: 36 million sealing; 415 million tablets and capsules; 9,2 million bottles of liquids; 5,2 million packs of semi-solids

Accreditation: ANVISA, GMP, ISO 14001, ISO 45001.

Accra, Ghana

Capability: Small- to medium-volume liquids.

Maximum output: 567kℓ of liquids

Accreditation: GFDA.

Hyderabad, India

A fire at the Alphamed site on 19th June 2021 damaged the manufacturing, packing and warehousing areas significantly. Capital projects are currently underway to reinstate the manufacturing and packing capabilities as per below, which are anticipated to be completed in June 2022 and fully commercialised by June 2023.

Capability: Small to medium-volume solids manufacturing for export markets.

Maximum output: 800 million tablets; 40 million effervescent tablets; 350 million capsules; 30 tonnes of pellets; 60 million powder-filled sachets

Accreditation: To be conducted following restoration.

Nairobi, Kenya

Capability: Small to medium-volume solids, liquids and fast-moving consumer goods.

Maximum output: 750 million tablets; 600kℓ of liquid.

Accreditation: AIRP-CI, EFDA, GFDA, ISO14001, ISO 45001, MoH-DRC, MCAZ, NAFDAC, PMRA-Malawi, PPB – Kenya, TMDA, UNDA, ZAMRA.

East London, South Africa

Oral contraceptive facility

Capability: High-volume oral contraceptive manufacturing and packing for domestic market.

Maximum output: 1 billion tablets.

Accreditation: ISO 14001, ISO45001, SAHPRA.

Multi-product facility

Capability: Solids, semi-solids and liquid manufacturing and packing for domestic market.

Maximum output: 560 million tablets; 32 million packs of semi solids; 160 million packed units of liquids.

Accreditation: ISO 14001, ISO 45001, SAHPRA.

Dar es Salaam, Tanzania

Capability: Small- to medium-volume semi-solids, large-volume solids and liquids.

Maximum output: 1 billion tablets; 60 million capsules; 15 tonnes of semi-solids; 1 500kℓ of liquids; 8 million sachets.

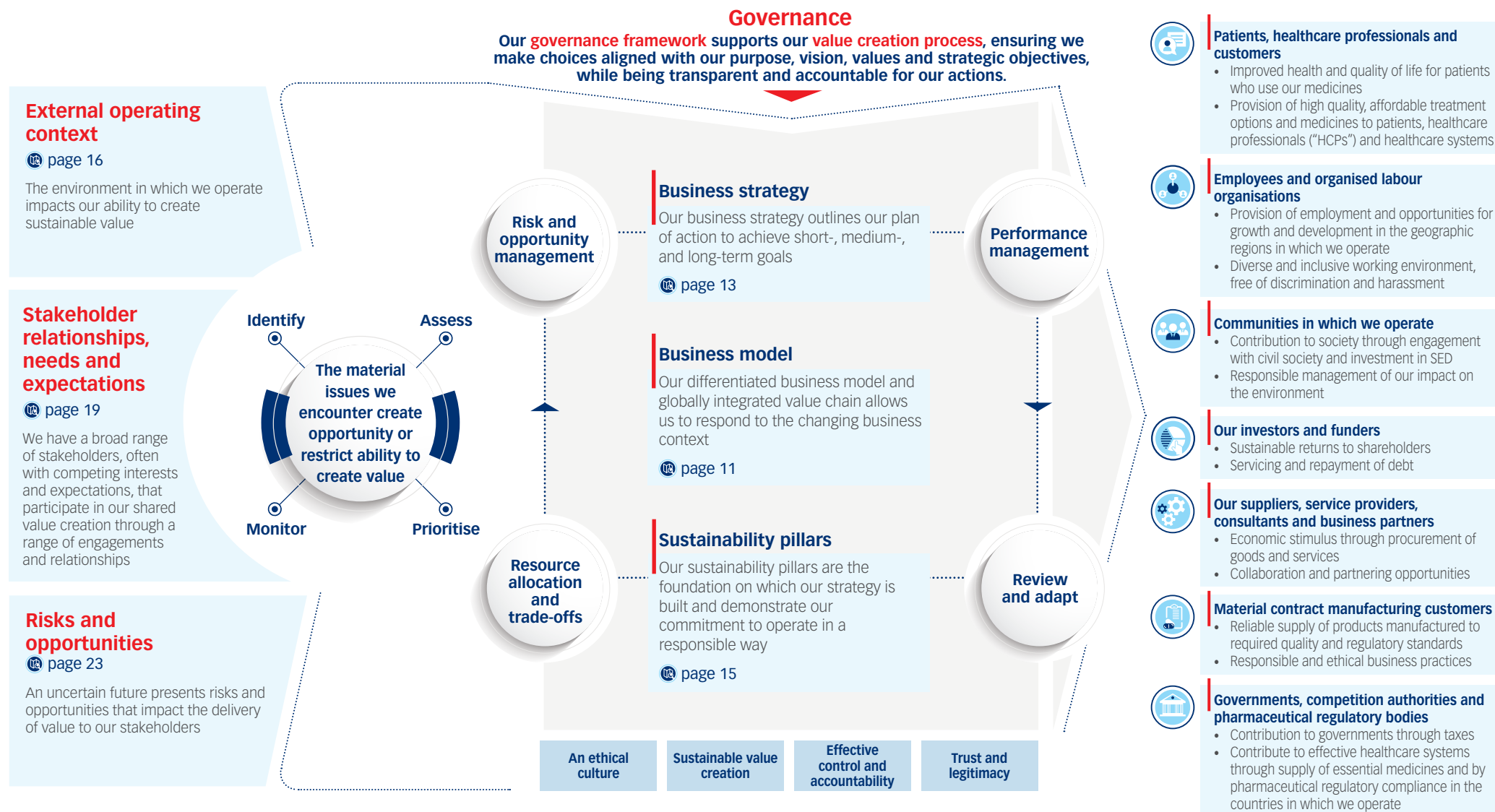
Accreditation: AIRP-CI, EFDA, MoH – DRC, NAFDAC, PMRA-Malawi, PPB – Kenya, TMDA, ZAMRA.

Our value creation process

Our value creation process, which is driven by our purpose and vision, is an integral part of our business strategy. We leverage and apply our stock of capitals to deliver on our strategic objectives and optimise value for our stakeholders.

How we create value

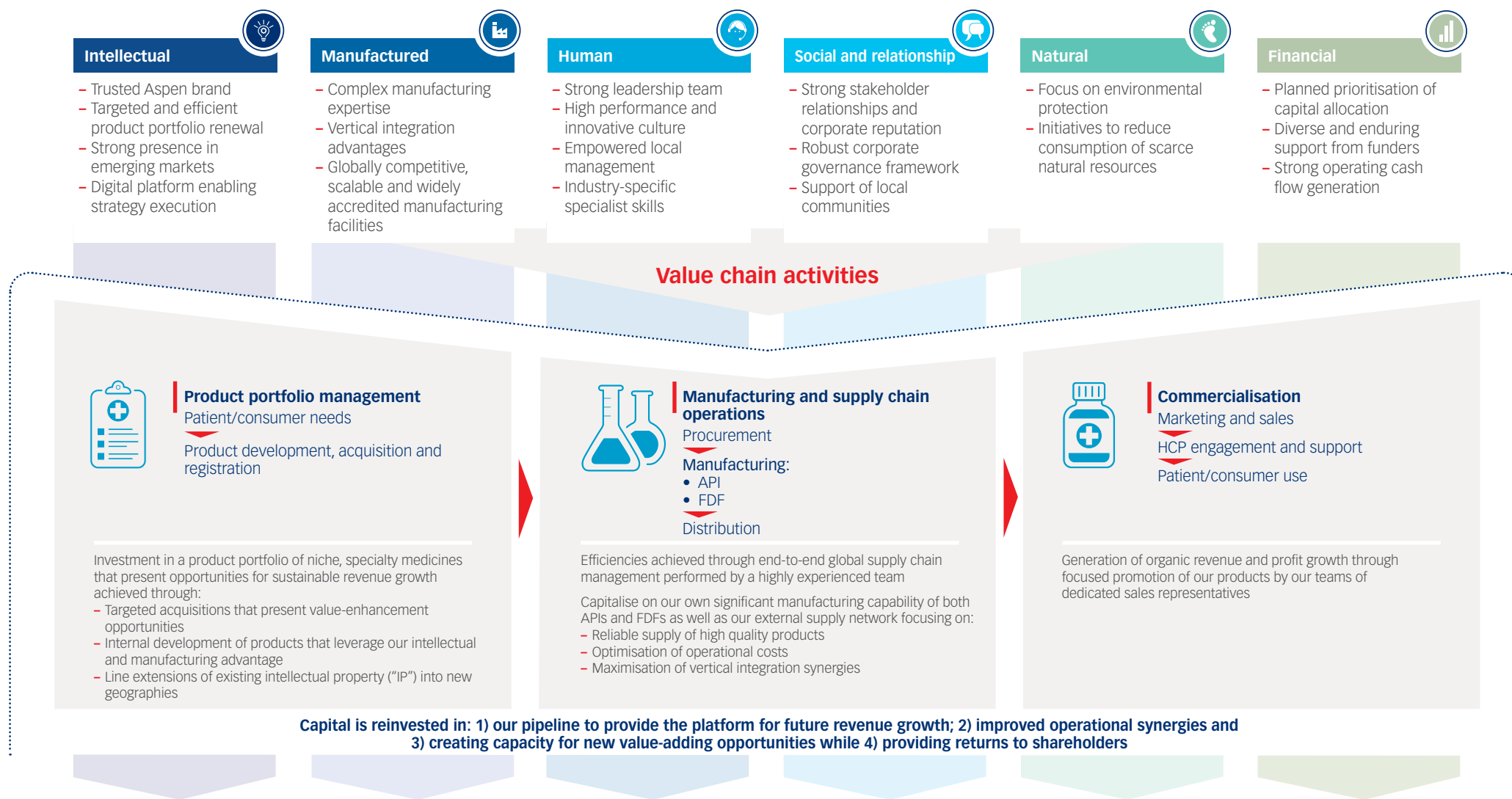
The value we create



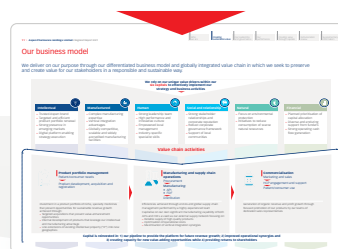
Our business model

We deliver on our purpose through our differentiated business model and globally integrated value chain in which we seek to preserve and create value for our stakeholders in a responsible and sustainable way.

We rely on our unique value drivers within our **six capitals** to effectively implement our strategy and business activities



Our business model continued



Outputs

We provide high quality, affordable medicines focusing on niche therapeutic areas



Commercial Pharmaceuticals



Regional Brands – A widely diverse range of trusted medicines with strong domestic or regional presence.



Sterile Focus Brands – Comprising our branded products in anaesthetics and thrombosis therapy areas.



Manufacturing

Internal and third party supply of chemical and biochemical APIs and FDF pharmaceuticals.



Emissions and waste

An inevitable consequence of production and distribution are carbon emissions and the generation of waste.

Outcomes

Achieving outcomes that create long-term value for our stakeholders

See [page 62](#)

Improved health and quality of life for the patients and consumers who use our medicines

See [page 67](#)

Reliable manufacture and supply of safe, effective, high quality products that patients trust

See [page 71](#)

Employment opportunities and skills development provided to our employees

See [page 78](#)

Uplifting lives in the communities in which Aspen works around the world

See [page 83](#)

Initiatives to reduce the impact of our operations on the natural environment

See [page 87](#)

Sustainable earnings growth to fund future growth and provide a return for shareholders

Trade-offs

Optimising value inevitably involves trade-offs in how and when value is shared between different stakeholder groups, and in how that value is created, transformed or depleted across the capitals

Building a world-class sterile manufacturing platform

Building a world-class sterile manufacturing platform is a cornerstone of our organic growth strategy. Investing in building production capacity for the future has required us to make material investments in multi-year capital build and expansion projects. These material capital investments negatively impact financial returns during the period of construction and validation, but creates opportunity for improved financial performance once the manufacturing capacity is fully commercialised.

Undertaking organisational design to achieve a fit-for-purpose business

A series of organisational restructuring projects are ongoing throughout the Group. While organisational redesign projects result in increased effectiveness, improved operational efficiency and an enhanced culture of ownership and accountability, they inevitably bring anxiety and uncertainty for all of those engaged in the process and for some employees, a termination of employment or an adjustment in grading. While organisational change is complex, it is necessary to build a modern, efficient and agile organisation positioned to deliver on strategic objectives and goals.

Achieving digital transformation

The rapid shifts in digital technology and increased cyber threats require us to make significant investments in transforming our digital landscape to be a strategic enabler to support the Group's business strategy. Our transition to digital also requires investment in the reskilling of employees and change management to enable them to work in an increasingly digital world. The significant shift to a more digital landscape requires financial capital in the shorter term, but increases operational efficiency and effectiveness, benefits our human capital and enhances our interactions with our stakeholders.

Balancing financial security with returns to our shareholders

In the 2019 and 2020 financial years, our focus on deleveraging the balance sheet while maintaining our committed plans for significant investments in capital projects, together with the added levels of uncertainty created by the COVID-19 pandemic, resulted in the Board deciding not to declare dividends. This decision impacted our shareholders' short-term returns but was considered prudent to assure our long-term sustainability. Following the significant deleveraging of our balance sheet and the positive outlook for the Group, the Board has resumed distribution of retained income to shareholders.

Our business strategy

Our business strategy is to build a resilient product portfolio promoted in growth territories, strategically aligned to our enhanced manufacturing capacities and capabilities, to achieve organic growth and create long-term value. Our strategy is underpinned by our overriding commitment to deliver social value for our stakeholders.

Strategic positioning

Our strategic positioning supports delivery of our vision.

We seek to achieve this through building 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, optimise 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.

Our five strategic objectives

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

Strategy implementation and performance measurement

We implement our strategy by applying the resources we have available in execution of our business model to achieve sustainable growth and value creation (see page 11).

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 (see page 51 to 56).**



To deliver a differentiated portfolio of high quality, affordable medicines

Our focus areas

- Build and strengthen pipeline and accelerate product launches
- Focus on expanding our emerging country portfolios by establishing a meaningful presence in countries with high growth potential
- Implement initiatives to achieve security of supply
- Explore opportunities to reshape, optimise and revitalise product portfolio
- Explore opportunities to play a greater role in vaccine supply to Africa.

KPIs^

- Number of product recalls ▲



To optimise the strategic advantage of our integrated value chain

Our focus areas

- Optimise operations, drive efficiencies and reduce cost of goods
- Achieve the transfer of the manufacture of complex, sterile products to Aspen sites
- Focus on supply performance and optimise carrying levels of inventory
- Partner with multinationals to leverage excess manufacturing capacity in niche specialty sterile manufacturing, including vaccines
- Advance digital transformation across our value chain

KPIs^

- Gross profit ●



To develop and retain a talented, agile and diverse workforce inspired to achieve operational excellence

Our focus areas

- Build a culture of operational excellence and cross-functional collaboration
- Strengthen leadership capacity across the Group
- Harness the benefits of equity, diversity and inclusion
- Focus on the development and retention of required skills
- Maintain a strong health and safety culture across our operations
- Align organisational design to position the Group for success

KPIs^

- Average staff turnover ▲
- Average training spend per employee ▲
- Percentage of females in top management roles in the Group ▲
- Percentage of black employees in top management roles in South Africa ▲
- Total recordable incident frequency rate ("TRIFR") ♦^s



To be a good corporate citizen by conducting our business in a responsible, inclusive and sustainable way

Our focus areas

- Maintain high governance and ethical standards
- Enhance relationships and reputation with our various stakeholders
- Recalibrate sustainability strategy and align ESG priorities
- Explore resource efficiency projects to secure security of supply and minimise impact on the environment
- Develop a climate change strategy

KPIs^

- BBBEE accreditation in South Africa ■
- FTSE/JSE Responsible Investment Index score
- Carbon emissions ♦
- Waste recycled ♦
- Water withdrawn ♦
- Electricity used ♦



To create sustainable economic value for our stakeholders

Our focus areas

- Drive organic growth through the realisation of the potential of existing portfolio and territories
- Increase operating margins and generate strong free cash flows
- 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

KPIs^

- Revenue growth ●
- NHEPS growth ●
- Normalised EBITDA growth ●
- Normalised EBITDA margin percentage ●
- Operating cash flow per share ●
- Return on invested capital ("ROIC")[#]
- Free cash flow[#]
- Leverage ratio ●

Assurance on our KPIs

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

IBIS ♦
Empowerdex ■
EY ●
Internal Audit ▲

Further discussion on combined assurance is included on [page 23](#)

[^] KPI definitions are included in the Sustainability and ESG Data Supplement available [online](#).

^s To align with best practice, we have transitioned to TRIFR as our KPI for Health and Safety, replacing lost workday frequency rate ("LWDFR"), refer to [page 76](#) | [#] Measured, not reported

Engaging with our stakeholders

Fostering and maintaining mutually beneficial relationships with our key stakeholders through transparent, sincere and effective engagements is an integral part of our value creation process. While we were able to establish partnerships that made it possible for us to contribute to the world's efforts to reduce the impact of COVID-19, at times the pandemic and the related lockdowns have made engaging with our stakeholders challenging. We remain intent on continually seeking ways to improve on the credibility and rapport we have already established with our stakeholders.

We define our stakeholders as the people, groups or organisations directly impacted by our activities, as well as those who could be impacted by our activities. We have a structured system of engagement in place to ensure that we provide timeous, accurate and relevant information to our stakeholder groups, and that our interaction and communication with our stakeholders is consistent.

During the year a wide range of regular, structured and *ad hoc* engagements took place at various levels within the organisation. To make this possible during remote working and lockdowns we frequently relied on virtual and digital means of engagement.

Our Executive management team submits quarterly stakeholder engagement reports to the Board, which detail notable engagements with the Group's key stakeholders. Any material topics or matters of concern that may arise are considered by the Board at their quarterly meetings. Management responds to material issues raised by stakeholders, as appropriate, in the ordinary course of business.

After a thorough consideration of the Group's various stakeholders we have categorised our key stakeholders as:

- Patients, HCPs and customers
- Governments, competition authorities and pharmaceutical regulatory bodies
- Employees and collective labour organisations
- Suppliers, service providers, consultants and business partners
- Communities in which we operate
- Contract manufacturing customers

We have also considered and self-assessed the quality of the relationships we have with these stakeholders and used the following scale as an indication of the quality of the relationship:

- No existing or poor relationship
- Relationship established, but work to be done to improve the quality of the relationship
- Good quality, mutually beneficial relationship, with some room for improvement
- Strong relationship of mutual benefit

Patients, HCPs and customers

Aspen considerations

Our products are used, prescribed or distributed by these stakeholders, and therefore, it is imperative that they are fully aware of the indications, benefits and side effects of our products. Aspen needs to have a thorough understanding of their perceptions and expectations of us and our products.

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
<ul style="list-style-type: none"> - High quality, affordable medicines - Patient safety and pharmacovigilance - Consistent, reliable and on-time supply of products - Continued manufacturing capacity and ability to supply critical medicines - Impact of product recalls and/or any quality and/or efficacy concerns which may arise 	<ul style="list-style-type: none"> - Ensuring continued supply of critical and COVID-19-related medicines, considering lockdown measures and resultant sourcing and distribution challenges - Ongoing engagement capacity considering COVID-19 challenges – use of virtual engagement tools - Product recalls and pharmacovigilance engagements - Supply shortages in respect of a small number of products - Explaining the benefits of products in the Aspen portfolio - Detailing of patient benefits from new product launches 	<ul style="list-style-type: none"> - See page 62 - See page 67 - See page 78 - See page 83

How we engage

- Pharmaceutical representatives calling on HCPs and key opinion leaders to explain medicinal qualities, differentiators and patient benefits
- Attendance at healthcare conferences – both virtual and in-person
- Dedicated pharmacovigilance and medical information communication channels, allowing patients and HCPs to enquire about product features and related safety concerns
- Communication measures to announce product concerns or product recalls to HCPs and patients
- Open communication with customers through commercial and technical discussions and one-on-one meetings

Link to our strategic objectives and capitals

Relationship Indicator



Engaging with our stakeholders continued



Governments, competition authorities and pharmaceutical regulatory bodies

Aspen considerations

Our ability to produce, market and distribute pharmaceutical products depends on the manufacturing licences, marketing authorisations and a range of other regulatory matters under the auspices of these authorities.

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
<ul style="list-style-type: none"> Legal and regulatory compliance Support for public health initiatives Affordable public health outcomes Social and environmental impact of operations Tax revenues and local investment 	<ul style="list-style-type: none"> Collaboration with government officials in a number of countries to support and assist with various initiatives aimed at improving the health of patients suffering from COVID-19 With both the Europe and the UK pricing matters being settled, ongoing engagements with the relevant competition authorities continue in relation to the implementation of the agreed Commitments made by Aspen when concluding these matters Product recalls Our tax commitments SED spend, contribution to healthcare enhancement and equitable access to medicines 	<ul style="list-style-type: none"> See page 62 See page 67 See page 78 See page 83 See page 87

How we engage

- Audits of manufacturing sites by regulatory authorities to ensure Good Manufacturing Practice ("GMP") and regulatory compliance
- Registration of products and maintenance of marketing authorisations through submissions and direct engagements with regulatory authorities
- Participation in industry bodies
- Reports and interactions aimed at confirming legislative and regulatory compliance policies and processes
- Involvement in government programmes aimed at creating jobs and uplifting disadvantaged communities

Link to our strategic objectives and capitals



Relationship Indicator



Employees and organised labour organisations

Aspen considerations

Employees play a critical role in ensuring we achieve our strategic objectives, tactical plans and operational excellence. Prospective employees are also included in this stakeholder category. We need to understand their needs, challenges and aspirations.

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
<ul style="list-style-type: none"> Job security, skills development and career planning Equitable remuneration packages, performance incentives and benefit structures Gender equality, diversity and inclusivity Equitable policies, practices and procedures Clearly articulated employee value proposition Performance management, skills development and career planning Reputation as an ethical employer Employee health, safety and wellness Employee bargaining and organisational rights Aspen's constructive engagement with employees through organised labour organisations and forums such as works councils, bargaining units and formalised workplace engagement committees 	<ul style="list-style-type: none"> Measures to ensure employees and especially employees within our manufacturing operations – remain safe and protected from contracting COVID-19, while retaining production and distribution capacity to ensure ongoing supply of critical medicines Engagement of office-based staff working from home using virtual engagement tools for most of the year Employee transfers to Mylan Ireland Limited ("Mylan") as a result of the disposal of the assets of the European Thrombosis business Organisational design and restructuring implemented at some businesses to ensure operational efficiencies and sustainability, resulting in job losses but impacting positively on our efficiencies and realigned structures and roles. The negative impacts of these losses were offset by proactive social plans and outplacement offerings to assist impacted employees and communities 	<ul style="list-style-type: none"> See page 71 See page 78 See page 83 See page 87

How we engage

- Direct engagements by supervisors and business management
- Internal communication measures such as the Group intranet, announcements and digital posts
- Conferences
- Digital townhall meetings for businesses and the Group
- Onboarding and internal training
- Employee surveys
- Meetings and other interactions with work councils, trade unions and trade union representatives
- Employee wellness campaigns
- Exit and stay interviews
- Active encouragement of employees to participate in Nelson Mandela International Day ("Mandela Day")
- Tip-offs Anonymous Whistleblowing hotline

Link to our strategic objectives and capitals



Relationship Indicator



Engaging with our stakeholders continued



Suppliers, service providers, consultants and business partners

Aspen considerations

These stakeholders play an important role in enabling us to meet our commitments to patients, HCPs, customers and other stakeholders

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
<ul style="list-style-type: none"> - Fair engagement terms and timely settlement - Ongoing communication about our expectations and service levels provided - Fair tender and selection processes 	<ul style="list-style-type: none"> - Supply chain constraints mainly due to COVID-19 complications - Suppliers' ability to ensure continuity of supply and impact on Aspen's own ability to ensure continued supply - Negotiation of contract terms and extensions 	<ul style="list-style-type: none"> - See page 78 - See page 83 - See page 87

How we engage

- Tender, procurement and "expression of interest" processes
- One-on-one meetings to discuss service levels or other commercial aspects
- Interactions regarding safety, health, environmental and ethical compliance
- Visits to manufacturing sites, both virtually and physically

Link to our strategic objectives and capitals



Relationship Indicator



Investors and funders

Aspen considerations

As providers of capital, these stakeholders need to be kept informed of material developments impacting the Group and our future prospects

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
<ul style="list-style-type: none"> - Strategy and business model - Growth in revenue, EBITDA and return on invested capital - Appropriate management of capital expenditure, working capital and expenses - Capital allocation - Gearing, solvency and liquidity - Dividends/returns to shareholders - Security over assets, ethical stewardship of investments and good corporate governance - Implementation of business continuity measures to mitigate impact of COVID-19 - Fair executive remuneration and incentivisation - Aspen's standing in terms of Environmental, Social and Corporate Governance ("ESG"), including progress on reducing carbon emissions and related disclosures 	<ul style="list-style-type: none"> - Strategy and medium-term prospects - Sterile manufacturing capacity and how this positions Aspen to manufacture sterile products, Johnson & Johnson COVID-19 vaccines and other vaccines - Impact of COVID-19 on commercial performance, profitability, manufacturing operations and organic growth prospects - Mitigation of funding and gearing risks - Material business disposals, including the announcement of the disposal of the European Thrombosis assets and a cautionary announcement to shareholders regarding the structured process undertaken to facilitate offers for Aspen's API business - Fair remuneration outcomes, with a focus on the fixed and variable incentives of executives and performance measurement in respect of these incentives - Engagements on ESG aspects, including carbon emissions and related disclosures - Resolution of pricing investigations in Europe and the United Kingdom, with both matters being settled - Product pipeline and development - Material capital investment in Aspen's manufacturing capacity to ensure cost reduction and supply consistency - Group senior executive succession planning - Negotiation and conclusion of International Finance Corporation ("IFC") loan of EUR600 million 	<ul style="list-style-type: none"> - See page 78 - See page 83 - See page 87

How we engage

- Dedicated face-to-face and virtual funder, investor and analyst presentations, roadshows and one-on-one meetings, including engagements regarding financial performance, ESG matters and the Group's remuneration policy and implementation report
- Stock exchange announcements, media releases and published results
- Annual general meeting
- Investor relations section of the Aspen website
- Engagements with the financial media

Link to our strategic objectives and capitals



Relationship Indicator



Engaging with our stakeholders continued



Communities in which we operate

Aspen considerations

These stakeholders are directly impacted by our business activities, specifically from an environmental, socio-economic and employment perspective and are key to ensuring that Aspen continues to build on our Social and relationship capital, reputation and social licence to operate. By focused efforts, this engagement can contribute to our decision-making, legitimacy and competitiveness – by tapping into local knowledge.

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
<ul style="list-style-type: none"> – Employment, education and skills-development opportunities – Socio-economic upliftment – Environmental impact in respect of carbon emissions, solid waste disposal, as well as water and effluent management – Ethical business conduct – Aspen's contribution to local and community healthcare systems 	<ul style="list-style-type: none"> – COVID-19 specific assistance in response to community requests – Assistance to communities following natural disasters – Funding of over 50 tertiary students in South Africa, to allow them to complete studies in chosen fields like engineering, pharmacy and commerce. – Procurement from local suppliers and service providers – Social unrest in the Gauteng and KwaZulu-Natal provinces in South Africa during the first part of July 2021 resulting in the destruction of many retail outlets, including community pharmacies. Aspen provided assistance to community pharmacies and other initiatives to assist affected communities in these provinces – Systematic reduction of the environmental risk posed by our manufacturing operations – Supporting education/training for HCPs in local communities – Initiatives to assist in building healthcare infrastructure 	<ul style="list-style-type: none"> – See USA page 78 – See USA page 83 – See USA page 87 – See USA page 71

How we engage

- Initiatives aimed at creating jobs and uplifting disadvantaged communities
- Responsible environmental management practices
- Working with communities to assist in building healthcare capabilities and capacities
- Rigorous ethics and compliance management programmes
- Participation in local, regional and international industry bodies

Link to our strategic objectives and capitals



Relationship Indicator



Material contract manufacturing customers

Aspen considerations

As Aspen positions itself as a strategic partner of choice in terms of contract manufacturer in the pharmaceutical industry, it is crucial that we understand the needs and expectations of these customers.

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
<ul style="list-style-type: none"> – Aspen's ability to ensure continuity of supply of the products we have been contracted to produce – Aspen's application of quality management systems and GMP, including aspects such as sourcing, employment, environmental and safety practices – Aspen's practices and reputation as a good corporate citizen – Maintenance of regulatory approvals in respect of manufacturing sites used for third party manufacturing 	<ul style="list-style-type: none"> – Ensuring continuity of contracted manufacturing supply and the resolution of supply constraints, many of which were brought about due to the impact of COVID-19 – Partnership with Johnson & Johnson to manufacture COVID-19 vaccine at Aspen's Gqeberha site – Negotiations on new contracts and extension to existing contracts 	<ul style="list-style-type: none"> – See USA page 67 – See USA page 78 – See USA page 83

How we engage

- Extensive due diligence processes prior to selection and contract finalisation
- Regular meetings with these customers
- Periodic site inspections and audits

Link to our strategic objectives and capitals



Relationship Indicator



Our approach to governance

Governance in the Group extends beyond mere legislative and regulatory compliance. The Board and management strive to entrench an enterprise-wide culture of good governance aimed at ensuring that decisions are taken in a fair and transparent manner, within an ethical framework that promotes the responsible consideration of all stakeholders, while also holding decision-makers appropriately accountable.

The Board is the highest decision-making body for those matters that are of significance to the Group as a whole, due to their strategic, financial or reputational implications or consequences. It operates in terms of an approved Board charter which regulates the parameters within which the Board operates and ensures the application of the principles of good corporate governance in all its dealings. This charter also sets out the roles and responsibilities of the Board and individual directors, including the composition and relevant procedures of the Board. The charter is aligned with the provisions of all relevant statutory and regulatory requirements, including, among others, the South African Companies Act, No 71 of 2008; the JSE Listings Requirements, King Code on Corporate Governance 2016™*. ("King IV") and the Company's Memorandum of Incorporation.

To support it in its broader oversight and governance role, the Board has three standing committees, each with their own terms of reference, which supports the Board's decision making processes and through which it executes some of its duties, namely: the Audit & Risk Committee, the Social & Ethics Committee and the Remuneration & Nominations Committee.

The Board is of the opinion that the outcomes in respect of each of the 16 principles outlined in King IV have been achieved. We focus on maturing and improving our practices in this regard, with specific emphasis on integrity, sustainability, remuneration, governance, combined assurance and stakeholder relationships.

Decisions by the Board, its committees and other governance structures throughout the Group are made in good faith to promote the success of the Group for the benefit of our stakeholders. In doing so, the Board considers, among other matters:

1. Medium- and long-term consequences of any decision;
2. The need to foster the Group's relationships with stakeholders like employees, regulators, suppliers, customers, governments, and other stakeholders;
3. The impact of the Group's operations on communities and the environment; and
4. Maintaining the Group's reputation for high standards of business conduct and ethical behaviour and the need to act fairly in respect of shareholders and other stakeholders.

In line with the philosophy that good corporate governance is an evolving discipline, governance structures, practices and processes are actively monitored and revised from time to time to reflect best practice.

The following were key focus areas and outcomes resulting from the Board's deliberations since our previous integrated report:

- Aspen's coordinated response to the COVID-19 pandemic, with specific reference to employee health and safety practices and ensuring business continuity, including the supply of critical and COVID-19 related medicines despite lockdown measures creating sourcing and distribution challenges;
- Progressing the Group's achievement of its five strategic objectives which provide the foundation for us to deliver on our overall strategy of creating long-term value for our stakeholders;
- Material business disposals, including the announcement of the disposal of the European Thrombosis assets and a cautionary announcement to shareholders regarding the structured process undertaken to facilitate offers for our API business;

- The resolution of the pricing investigations in Europe and the UK, with both matters being settled during the year;
- The partnership with Johnson & Johnson to manufacture this company's vaccine at our Gqeberha site;
- Aspen's response to stakeholder concerns around ESG aspects, including our progress towards reducing carbon emissions and providing the related disclosures;
- Mitigation of the Group's funding and gearing risks, allowing for the Group to resume dividend payments to shareholders;
- Conclusion of the IFC's EUR600 million loan to Aspen;
- Establishment of a formalised Group Executive Committee and the appointment of Sean Capazorio as an executive director and Group Chief Financial Officer with effect from 1 January 2022 as a result of concerted succession planning activities;
- Material capital investment in Aspen's manufacturing capacity;
- Enhancements in the Group's cybersecurity resilience; and
- Competence, qualifications and experience of the company secretary confirmed.

Further reading

- Aspen governance overview, including an explanation of the Board's mandate, its composition and other material governance practices, as well as a detailed King IV application register as posted [online](#)
- [Pages 39 to 41](#) where we report on the key governance focus areas and outcomes for each of the Board's committees during the year under review



Our approach to governance continued

Board composition

Diversity of expertise

Policy: To create an experienced Board with the appropriate balance of knowledge and skills in areas relevant to the Group.

The following areas of expertise are relevant to Aspen:

Leadership



Pharmaceuticals



Information and technology governance



Governance and compliance



Sales and marketing management



Accounting, finance and tax



Risk and opportunity management



Environment, health and safety



Human resources



Manufacturing

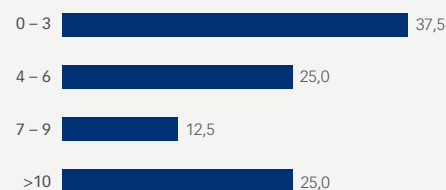


Succession and diversity of tenure

Policy: Periodic, staggered rotation of members so as to ensure the introduction of members with new expertise and perspectives, while retaining valuable industry knowledge, skills and experience and maintaining continuity.

Succession planning makes provision for the identification, mentorship and development of future members.

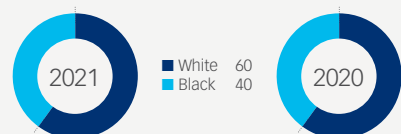
Succession and diversity of tenure (%)



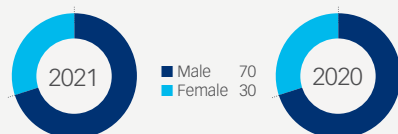
Gender and racial diversity

Policy: The company's Gender Diversity Policy promotes a voluntary target of 40% female representation on the Board over a three-year period, while the Racial Diversity Policy promotes a voluntary target of 50% black representation on the Board over the same period.

Race (%)



Gender (%)



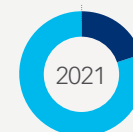
Board size

Policy: To target a Board size that promotes accountability and encourages healthy, constructive debate and decision-making, while meeting regulatory and Memorandum of Incorporation requirements. The appropriateness of the Board size is evaluated annually by the Remuneration & Nomination Committee.

Independence

Policy: To comprise a majority of non-executive directors, the majority of whom should be independent.

Independence (%)



Diversity of age

Policy: Executive directors retire from their positions and from the Board at the age of 65. The company's retirement policy does, however, make provision to extend the relationship beyond the normal retirement age. Non-executive directors, who are 70 years and older, retire at each annual general meeting and are proposed for re-election if recommended by the Board.

Average age

54 years

Average Board meeting attendance

98,6%

Board meeting attendance

Board	31 July 2020	3 September 2020	9 September 2020	8 December 2020	9 December 2020	10 March 2021	25 June 2021
Kuseni Dlamini	✓	✓	✓	✓	✓	✓	✓
Gus Attridge	✓	✓	✓	✓	✓	✓	✓
Linda de Beer	✓	✓	✓	✓	✓	✓	✓
Ben Kruger	✓	✓	✓	✓	✓	✓	✓
Themba Mkhwanazi	✓	✓	Apology	✓	✓	✓	✓
Chris Mortimer	✓	✓	✓	✓	✓	✓	✓
Babalwa Ngonyama	✓	✓	✓	✓	✓	✓	✓
David Redfern	✓	✓	✓	✓	✓	✓	✓
Stephen Saad	✓	✓	✓	✓	✓	✓	✓
Sindi Zilwa	✓	✓	✓	✓	✓	✓	✓

• Membership of the Audit & Risk Committee.

• Membership of the Remuneration & Nomination Committee.

• Membership of the Social & Ethics Committee.

Governance supporting our strategy

Audit & Risk Committee

Members

Babalwa Ngonyama (Chair)
Linda de Beer
Ben Kruger

Focus areas and outcomes for the year

- EY recommended for reappointment as auditor, and Derek Engelbrecht as the designated auditor, having satisfied itself of the capacity and independence of this firm and the designated auditor;
- Matters concerning the Company and the Group's accounting policies, financial controls, records and reporting recommended to the Board;
- No material breakdowns in the functioning of the internal financial controls detected during the year under review;
- Effectiveness, competency, capacity and independence of the Aspen Group Internal Audit Function ("Internal Audit"), as well as the expertise and experience of the Chief Audit Executive confirmed;
- Application of comprehensive combined assurance model applied to the Group's key risks so as to provide a coordinated approach to all assurance activities and in order to confirm that there were no significant areas of overlap or assurance gaps and the levels of assurance were considered appropriate;
- Strengthened the status of financial, IT and cybersecurity measures and internal controls;
- Status and effectiveness of risk governance in the Group and the adequacy of mitigation plans for material risks was confirmed, recommending this as such to the Board;
- Reviewed the Group's Integrated Report and the sustainability information as disclosed therein to evaluate the integrity of reported information and for consistency with the Annual Financial Statements;
- Satisfied itself of the expertise and experience of the:
 - Deputy Group Chief Executive, who performs the duties of the Company's Financial Director; and
 - Group's finance function and the senior members of management responsible for the Group's finance function, including the Group Finance Officer;
- Confirmed its satisfaction with the appointment of Sean Capazorio (the current Group Finance Officer) as Group Chief Financial Officer, who will perform the duties of the Company's Finance Director, with effect from 1 January 2022;
- Progress was made on the Group's maturity in respect of I&T governance, with the committee considering reports from the Group Digital Technology function and assurance as provided by the Internal Audit function in accordance with the approved Internal Audit plan;
- Mitigation of infrastructure technology security risks and oversight of the mitigation plans introduced to address the risk of material operational and disruptive incidents.

	26 August 2020 (1)	26 August 2020 (2)	28 August 2020	8 September 2020	21 October 2020 (1)	21 October 2020 (2)	23 November 2020	23 February 2021	26 February 2021	8 March 2021	21 June 2021
Linda de Beer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ben Kruger	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Babalwa Ngonyama (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sindi Zilwa*	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Ms Zilwa stepped down as a member of the Committee with effect from 15 October 2020.

The overall average attendance for the Audit & Risk Committee meetings held during the year was 100%.

Relevant stakeholders considered



Capitals



Further reading

- Committee mandate, role and responsibilities
- Audit & Risk Committee Report

Available online

Governance supporting our strategy continued

Remuneration & Nomination Committee

Members

Linda de Beer (Chair)
Kuseni Dlamini
Themba Mkhwanazi

Focus areas and outcomes for the year

- Ben Kruger elected as Chair of the Social & Ethics Committee, following Sindi Zilwa's announced retirement at the December 2021 annual general meeting;
- Sean Capazorio appointed as an executive director, the Group Chief Financial Officer and the finance director for purposes of the JSE's Listings Requirements, with effect from 1 January 2022, following recruitment, screening and selection process. This follows the announcement made in February 2021 that Gus Attridge would retire as executive director, the Group Deputy Chief Executive and the finance director for purposes of the JSE's Listings Requirements with effect from this date;
- Tenure of Kuseni Dlamini (who reached his nine year tenure in April 2021) extended to 12 years, in terms of the director tenure policy provisions of the Company, subject to annual independence reviews by the Board and his re-election at every annual general meeting for this extended period;
- Establishment of a Group Executive Committee, and confirmation of senior Group executives to be considered as prescribed officers;
- Succession and capacity in the senior team, which included embedding the roles of the three new executives;
- Alignment of our remuneration practices with shareholder expectations and market best practice following engagements with various institutional shareholders regarding concerns raised in respect of the design, implementation and disclosure of aspects of the Group's remuneration policy and incentive schemes;
- Evolution of the Group's remuneration philosophy, policies, practices in order to set fair remuneration levels and pay-for-performance outcomes across the Group, with specific reference to achieving the following material outcomes in the current year:
 - ensuring that the performance targets, award conditions and vesting criteria for short- and long-term incentives in respect of both executive directors and the rest of the Group executives was aligned with Group's remuneration philosophy and best practice; and
 - approving the proposed annual salary increase ranges at an Aspen business level, after considering salary increase benchmarks and CPI levels in the respective countries.
 - considering the disclosure of our remuneration philosophy, policies, practices and a review of how these were implemented in the year under review in the Integrated Report both for accuracy, completeness and transparency, and to openly address the requests and needs raised by shareholders.
- Annual review of the performance of the Group senior executives (including that of the executive directors) against the set Group key performance indicator ("KPI") performance targets and personal key performance areas ("KPAs") (both financial and non-financial) for the year under review;
- Financial and non-financial performance KPI targets for the Group and personal KPAs of the executive directors set for the forthcoming financial year;
- Benchmarked non-executive directors' fees have been recommended to shareholders for approval;
- An internal board assessment of the performance of the Board, its committees, individual directors and the Company Secretary & Group Executive: Governance & Communications was conducted. The Board confirmed its satisfaction with the composition and performance of the Board, its committees, the Chairman of the Board, individual directors and the Company Secretary. Areas for improvement that were raised as part of the board assessment process mostly related to the need for more formalised strategy setting processes, a focus on the digitalisation of the Group and ongoing efforts to ensure appropriate executive succession planning. Progress in addressing these issues is being monitored by the Committee and the Board.

	10 July 2020	9 September 2020	19 October 2020	10 March 2021	24 March 2021
Linda de Beer (Chair)	✓	✓	✓	✓	✓
Kuseni Dlamini	✓	✓	✓	✓	✓
Themba Mkhwanazi	✓	Apology	Apology	✓	✓

The overall average attendance for the Remuneration & Nomination Committee meetings held during the year was 86.7%.

Relevant stakeholders considered



Capitals



Further reading

- Committee mandate, role and responsibilities available online
- Remuneration review as published on pages 91 to 103

Governance supporting our strategy continued

Social & Ethics Committee

Members

Sindi Zilwa (Chair)
Reginald Haman
Ben Kruger

Focus areas and outcomes for the year

- Evaluated, guided and monitored Aspen's response to the COVID-19 pandemic, specifically in relation to ensuring the health, safety and wellbeing of employees who:
 - were required to work at the Group's manufacturing sites to ensure that the supply of critical and essential medication was not interrupted;
 - had to engage HCPs and other stakeholders as essential service workers in the field; and
 - were enabled to work-from-home using digital means of communication and collaboration;
- Considered the Group's response to this pandemic from an SED perspective, ensuring that support was directed to initiatives launched to provide assistance in combatting the disease in its impacts, such as:
 - provision of personal protective equipment, primarily to frontline HCPs;
 - assistance to medical students to ensure continued uninterrupted online learning; and
 - emergency assistance to vulnerable communities.
- Reviewed aspects relating to ESG, sustainability and corporate citizenship to ensure that the matters falling within the Committee's area of responsibility were appropriately and accurately reported upon and that the appropriate internal or external assurance over these matters was obtained where necessary;
- Monitored the development and application of policies, guidelines and practices in line with our social and ethics policies, King IV, employment equity legislation and related regulations, the Carbon Disclosure Project and the FTSE/JSE Responsible Investment Index;
- Initiated an independent ethical culture risk assessment through The Ethics Institute to establish the current ethical culture risk profile for the Group, the results of which indicated an "Advanced" overall ethical culture for the Group;
- Reviewed and approved reporting on our capitals within the ambit of the Committee;
- Reviewed and approved the policies, strategies and structures to manage our social and ethics issues, including the application of our Code of Conduct;
- Considered regulatory developments as well as practice in the fields of social and ethics management;
- Reviewed reports on tip-offs received during the year and how these had been dealt with;
- Monitored whether management had allocated adequate resources to comply with social and ethics policies, codes of best practice and regulatory requirements;
- Monitored health and safety of Aspen products globally;
- Recommended such measures and/or activities which, in the Committee's opinion, may serve to enhance our overall social and ethics objectives, such as an increased focus on diversity, equity and inclusion, and addressing gender-based violence;
- Evaluated and monitored our performance in respect of SED and how we operate in the communities we do business in;
- Reviewed the processes in consulting and communicating with internal and external stakeholders with respect to social and ethical issues;
- Monitored progress against broad-based black economic empowerment ("BBBEE") targets, the employment equity and skills development plans for our South African businesses, and considered the external verification of our empowerment activities;
- Considered reports and trends in relation to our responsibilities to consumers;
- Reviewed our performance in respect of ESG and sustainability considerations and assessed our performance in respect of social and ethical issues;
- Internal assurance obtained in respect of the Group's ethics management programme.

	18 August 2020	16 November 2020	18 February 2021	10 June 2021
Gus Attridge*	Apology	N/A	N/A	N/A
Kuseni Dlamini	✓	✓	✓	✓
Reginald Haman**	N/A	✓	✓	✓
Ben Kruger	✓	✓	✓	✓
Sindi Zilwa (Chair)	✓	✓	✓	✓

* Mr Attridge stepped down as a member of the Committee with effect from 1 September 2020.

** Mr Haman was appointed as a member of the Committee with effect from 1 September 2020.

The overall average attendance for the Social & Ethics Committee meetings held during the year was 93.8%.

Relevant stakeholders considered



Capitals



Further reading

- Committee mandate, role and responsibilities
- Social & Ethics Committee Report

Available online

Board of Directors



Executive directors

Stephen Saad (57)
Group Chief Executive

Qualifications:
CA(SA), PhD (Commerce) *Honoris Causa*

Appointed: January 1999

Classification:
Executive director

Stephen is a founding shareholder of the Aspen Group and his responsibilities include strategic positioning and global transactions, geographic expansion and product diversification of Aspen in developed and emerging markets as a leading multinational pharmaceutical company.

Gus Attridge (60)
Deputy Group Chief Executive
(Finance Director)

Qualification:
CA(SA)

Appointed: January 1999

Classification:
Executive director

Gus is a founding shareholder of Aspen and is responsible for the strategic and financial well-being of the Group while also identifying and pursuing appropriate corporate opportunities and global transactions that will further benefit Aspen and its stakeholders.

Non-executive directors

Kuseni Dlamini (53) ●

Qualifications:
MPhil (Oxon), BSocSci (Hons) (Natal), Global Leadership for the 21st Century Programme (Harvard), Foundations for Leadership in the 21st Century (Yale)

Appointed: April 2012

Classification:
Independent non-executive, Chairman

Kuseni is the Chairman of Massmart Holdings Limited. He was previously Chairman of Times Media Group Limited and Chief Executive Officer of Old Mutual South Africa and Emerging Markets. He brings a wealth of economic and business skills to the Board, having previously held positions as the head of Anglo American South Africa and Executive Chairman of Richards Bay Coal Terminal Company.

Kuseni is the former Chairman of the South African National Parks and a former member of the Global Agenda Council on Economic Growth and Poverty Alleviation formed by the World Economic Forum. He is active in academic and professional bodies, which include the Council of the University of Pretoria, the South African Institute of International Affairs, and the advisory boards of the Gordon Institute of Business Science and Common Purpose.

Kuseni is a member of the Remuneration & Nomination Committee.

Linda de Beer (52) ●●

Qualifications:
CA(SA), MCom (Tax), CD(SA)

Appointed: July 2018

Classification:
Independent non-executive

Linda serves as an independent non-executive director on a number of JSE listed boards, namely Momentum Metropolitan Holdings Limited, Tongaat Hulett Limited and Shoprite Holdings Limited. She chairs or serves on the audit committees of these boards and also serves on a number of their other board committees. She was previously a member of numerous South African and international standard setting, oversight and corporate governance structures. In addition, chairs the board of trustees of the International Public Interest Oversight Board (PIOB), a non-profit foundation in Spain, and serves as a trustee of the International Valuations Standards Council (based in London).

Linda serves as the Chair of the Remuneration & Nomination Committee and is a member of the Audit & Risk Committee.

Ben Kruger (62) ●●

Qualifications:
BCom (Hons), CA(SA), Advanced Programme in Management (Harvard Business School)

Appointed: April 2019

Classification:
Lead independent non-executive

Ben joined Standard Merchant Bank in 1985 and, after having fulfilled various leadership roles in corporate and investment banking, was appointed as Chief Executive of Standard Bank Corporate and Investment Banking in 2001. In March 2013, Ben was appointed as Co-Chief Executive Officer of the Standard Bank Group Limited, and he retired from The Standard Bank Group on 31 December 2018. He currently serves as a non-executive director on the board of Stanbic IBTC Holdings Plc and Stanbic IBTC Bank Plc and as a non-executive director on the board of the JSE Limited. He is a member of the Institute of Directors of Southern Africa and served on the board of the International Institute of Finance. Ben is also a member, and serves as Deputy Chair, of the Council of the University of Pretoria.

Ben is a member of the Audit & Risk Committee and Social & Ethics Committee.

COMMITTEE DIAGRAM KEY:

- Audit & Risk Committee
- Remuneration & Nomination Committee
- Social & Ethics Committee

Board of Directors continued



Non-executive directors

Themba Mkhwanazi (51)

Qualification:

B.Eng (Hons)

Appointed: April 2019

Classification:

Independent non-executive

Themba was appointed as the Chief Executive Officer of Kumba Iron Ore Limited, a member of the Anglo American Plc Group, in September 2016. Prior to this appointment, he held several senior executive positions at various companies, including Anglo American Coal South Africa, Rio Tinto Technology and Innovation, Rio Tinto Australia and Huntsman Tioxide Southern Africa.

Themba is a member of the Remuneration & Nomination Committee.

Chris Mortimer (60)

Qualification:

BA, LLB

Appointed: January 1999

Classification:

Non-executive

Chris has been a full-time practising attorney since 1988 and has substantial legal and commercial expertise. His intimate knowledge of the Group, its business operations and governance processes have been of immense benefit to Aspen over the years and he continues to serve the Board as a trusted adviser. As Chris's firm is intermittently called upon to provide legal advice to the Group, he is classified as a non-independent non-executive director.

Babalwa Ngonyama (47) ●

Qualifications:

CA(SA), MBA, Higher Diploma in Banking Law (RAU)

Appointed: April 2016

Classification:

Independent non-executive

Babalwa is the CEO of Sinayo Securities (Pty) Limited, a women-owned and managed securities firm, and the Chairperson of University of Cape Town Council. Prior to this, she held positions as the Group Chief Internal Auditor of Nedbank Limited, Chief Financial Officer of Safika Holdings (Pty) Limited, partner at Deloitte (Financial Institutions Services Team and Chairperson of the Transformation Advisory Board). She is, among others, a non-executive director and chairperson of the audit committees of Vukile Property Fund Limited, and formerly of Barloworld Limited non-executive director and Implats Limited lead independent director and therefore brings considerable financial and commercial experience to the Board. Babalwa is also a lead independent director and chairperson of the risk and IT committee of Hollard Life Assurance Limited and The Hollard Insurance Company Limited. In August 2008, she received an award as a BBQ business woman visionary. Babalwa was a member of the Education and Academic Review Committees of the South African Institute of Chartered Accountants ("SAICA"), she was the founding Chairman of the African Women Chartered Accountants ("AWCA"), and currently a member of its Advisory Board.

Babalwa is the Chair of the Audit & Risk Committee.

David Redfern (55)*

Qualifications:

BSc (Hons), CA

Appointed: February 2015

Classification:

Non-executive * *British*

David was appointed Chief Strategy Officer of GlaxoSmithKline Plc ("GSK") in May 2008 and is responsible for corporate development and strategic planning. He has, in this role, assisted GSK in numerous bolt-on acquisitions, disposals and joint ventures, including the creation of the world-leading Consumer Healthcare company through the combination of GSK, consumer healthcare business firstly with Novartis's business and subsequently in 2019 with Pfizer's business. He is a member of GSK's Corporate Executive Team and reports to the CEO. Prior to holding this position, he was responsible for the leadership of GSK's business in Northern Europe from 2005 to 2008 and Central and Eastern Europe from 2002 to 2005. He joined Glaxo in 1994 in finance and progressed through a series of finance roles before becoming Finance Director of the European business in 1999.

In addition to his current role, David is Chairman of Viiv Healthcare Limited. Viiv is a joint venture between GSK, Pfizer and Shionogi and focuses specifically on the research and development and global commercialisation of medicines to treat HIV.

Sindi Zilwa (54) ●

Qualifications:

CA(SA), CD(SA), Advanced Taxation Certificate (UNISA), Advanced Diploma in Financial Planning (UOFS) and Advanced Diploma in Banking (RAU)

Appointed: September 2006

Classification:

Independent non-executive

Sindi is the co-founder and retired Chief Executive Officer of Nkonki Incorporated, having held the position from 1998 until her retirement through a management buyout in 2016. A Chartered Accountant by profession, Sindi is an expert in the areas of accounting, auditing and business management. Sindi is also a Chartered Director (SA) and has vast experience as a director in the public and private sectors, currently serving as a non-executive director of Discovery Holdings Limited, Metrofile Limited and Mercedes-Benz SA (debt listed). Her unlisted company boards include Tourvest Group and Gjima Limited. She is an author of "The ACE Model-Winning Formula for Audit Committees" and the author of "Creating Board and Committee Effectiveness". She is a member of the South African Institute of Chartered Accountants and the Institute of Directors and is a guest lecturer at the GIBS Corporate Governance and Leadership Elective Course. Sindi was previously non-executive Chairman of Airports Company South Africa and a non-executive director of Woolworths Limited, Primedia Limited, Wiphold Limited, Ethos Private Equity, Institute of Directors, Alexkor Limited, Rebosis Limited, ATNS SOC Limited and previously chaired the BUSA Standing Committee on Transformation.

Sindi serves as Chair of the Social & Ethics Committee.

Riaan Verster (45)

Qualifications: BProc, LLB, LLM (Labour Law), ACG

Appointed: December 2011

Classification: Company Secretary & Group Executive: Governance & Communications

COMMITTEE DIAGRAM KEY:

- Audit & Risk Committee
- Remuneration & Nomination Committee
- Social & Ethics Committee

Group Executive Committee



Stephen Saad (57)
Group Chief Executive

Qualifications:
CA(SA), PhD (Commerce) *Honoris Causa*

Appointed:
January 1999

Responsibilities:
Stephen is a founding shareholder of Aspen. His responsibilities include the strategic positioning of Aspen as a leading multinational pharmaceutical company, global transactions, geographic expansion and product diversification of Aspen in emerging and developed markets.

Gus Attridge (60)
Deputy Group Chief Executive (Finance Director)

Qualification:
CA(SA)

Appointed:
January 1999

Responsibilities:
Gus is a founding shareholder of Aspen and is responsible for the strategic and financial well-being of the Group while also identifying and pursuing appropriate corporate opportunities and global transactions that will further benefit Aspen and its stakeholders.

Sean Capazorio (56)
Group Chief Financial Officer designate

Qualification:
CA(SA)

Appointed:
January 1999

Responsibilities:
Sean is responsible for all of the Group's finance functions across Aspen's 60 businesses. He also assesses business performance and identifies business improvement opportunities.

Richelle Crots (58)
Regional Chief Executive Officer, SA Commercial

Qualification:
BCom (Human Resources)

Appointed:
August 2017

Responsibilities:
Richelle is responsible for the overall operations of Aspen's South African Commercial Pharmaceutical business, including SADC countries. She provides executive leadership across this organisation, including overall strategic direction, and leads new business development and opportunities.

Reginald Haman (47)
Group Chief Corporate Services Officer

Qualifications:
MBA, PGDBA, Graduate Diploma in Company Direction

Appointed:
May 2020

Responsibilities:
Reginald is responsible for managing Aspen's cluster of Group Corporate Services functions. He also ensures the provision of efficient and effective services to the Group in accordance with business and legislative requirements. Reginald was appointed as a member of the Social & Ethics Committee on 1 September 2020.



Lorraine Hill (58)
Group Chief Operations Officer and Responsible Pharmacist

Qualification:
BPharm

Appointed:
January 1999

Responsibilities:
Lorraine is responsible for multiple operational areas of the business, including strategic manufacturing, pharmaceutical affairs, new product development and strategic procurement. In addition, she plays an integral role in negotiation and implementation of new business initiatives for the Manufacturing business, which she also represents in global transactions.

Samer Kassem (46)
Chief Executive Officer, Aspen Global Inc

Qualifications:
CMA, CFM, CBM, MBA

Appointed:
May 2008

Responsibilities:
Samer joined the Group with the responsibility of establishing the company to lead and direct its international operations. He has been integrally involved in the negotiation, completion and integration of strategic acquisitions, the setting up of the Group's global businesses as well as the trading and supply structures to support these.

Zizipho Mmango (36)
Group Chief Strategic Development Officer

Qualifications:
CA(SA), CFA

Appointed:
May 2020

Responsibilities:
Zizipho is responsible for focusing on assessing and implementing strategic development activities for the Group such as acquisitions, disposals and collaborations. She also plays an active role in advancing business performance and value enhancement opportunities.

Stavros Nicolaou (56)
Senior Executive Strategic Trade

Qualifications:
B.Pharm, FPS (SA), PhD (Medicine) *Honoris Causa*

Appointed:
January 1999

Responsibilities:
Stavros plays a pivotal role in the initiation of business development opportunities and is also key to the building and maintenance of strategic relations within industry and with all of Aspen's stakeholders.

Trevor Ziman (50)
Regional Chief Executive Officer, Asia Pacific

Qualification:
CA(SA)

Appointed:
May 2001

Responsibilities:
Trevor is responsible for the implementation of strategy and the performance delivery of Aspen's Commercial Pharmaceutical businesses in Australasia, the Philippines, Taiwan, Malaysia and Hong Kong as well as trade into the rest of the Asia Pacific region. He plays a leading role in all transactional activity in the region.

Abbreviations

Abbreviation	Full name
AIRP-CI	Au cœur de l'activité pharmaceutique – Kenya
Annual Financial Statements	The Group and Company Annual Financial Statements for the year ended 30 June 2021
ANSM	French National Agency for Medicinal and Health Product Safety
ANVISA	Brazilian National Health Surveillance Agency
APIs	Active pharmaceutical ingredients
ASN	Nuclear Safety Authority for E-beam
Aspen and/or Group	Aspen Pharmacare Holdings Limited and/or its subsidiaries as set out in note 25 to the Company financial statements, as the context demands
Aspen Holdings or the Company	Aspen Pharmacare Holdings Limited
BBBEE	Broad-based Black Economic Empowerment
BfArm	German Federal Institute for Drugs and Medical Devices
CDP-CC	Carbon disclosure project – climate change
CDP-WS	Carbon disclosure project – water security
CER	Constant exchange rate
CIS	The Commonwealth of Independent States, comprising Russia and the former Soviet Republics
EBITDA	Normalised EBITDA comprises operating profit before depreciation and amortisation adjusted for specific non-trading items defined in accounting policies of the Group's Annual Financial Statements
EDQM	European Directorate for the Quality of Medicines
EFDA	Ethiopian Food and Drug Administration
EMA	European Medicines Agency
ESG	Environmental, Social and Corporate Governance
EY	Ernst & Young Inc.
FDF	Finished dose form

Abbreviation	Full name
FTSE	Financial Times Stock Exchange
The FTSE/JSE Africa Index Series	A joint venture between the JSE Limited ("JSE") and the FTSE Group ("FTSE")
GFDA	Ghanaian Food and Drugs Authority
GJ	Gigajoules
GMP	Good Manufacturing Practice
GRA	German Regulatory Authority
GSK	GlaxoSmithKline Plc
HCP	Healthcare professional
HPB	Health Protection Branch (Canada)
HPRA	Health Products Regulatory Authority (Ireland)
IBIS	IBIS Environmental Social Governance Consulting Africa Proprietary Limited
IFC	International Finance Corporation
Internal Audit	The Aspen Group Internal Audit function
IP	Intellectual property
IRA	Israeli Regulatory Authorities
ISO	The International Organisation for Standardisation
ISO 14001	International standard for environmental management systems
ISO 45001	International standard for occupational health and safety (OH&S) management system
ISO 50001	International standard for energy management systems
Johnson & Johnson COVID-19 vaccine	Janssen Pharmaceuticals Inc. and Janssen Pharmaceuticals NV, two of the Janssen Pharmaceutical Companies of Johnson & Johnson's COVID-19 vaccine.
JSE	JSE Limited, licensed as an exchange under the Security Services Act, No 36 of 2004
KFDA	Korean Food and Drug Administration

Abbreviations continued

Abbreviation	Full name
King IV	King Code on Corporate Governance 2016™. *Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved
kl	Kilolitre
KPA	Key performance area
KPI	Key performance indicator
LasD	German Local vs Federal Agencies
LRA	Libyan Regulatory Authorities
LWDFR	Lost workday frequency rate
Mandela Day	The Nelson Mandela International Day
MCAZ	Medicines Control Agency of Zimbabwe
ml	millilitre
MI	Megalitre
MOH – DRC	Ministry of Health – Democratic Republic of Congo
Mylan	Mylan Ireland Limited
NAFDAC	Nigerian National Agency for Food and Drug Administration and Control
NHEPS	Normalised headline earnings per share
Notre Dame de Bondeville	Aspen Notre Dame de Bondeville S.A.S., a wholly owned subsidiary incorporated in France
OTC	Over the counter
Pharmacare	Pharmacare Limited
PMDA	Japanese Pharmaceutical and Medical Device Agency
PMPB	Malawian Pharmacy, Medicines and Poisons Board
PMRA – Malawi	Malawian Pharmacy and Medicines Regulatory Authority

Abbreviation	Full name
PPB – Kenya	Kenyan Pharmacy and Poisons Board
ROIC	Return on invested capital
SAHPRA	South African Health Products Regulatory Authority
Saudi FDA	Saudi Food and Drug Authority
SED	Socio-economic development
Shelys	Shelys Pharmaceuticals International Limited, incorporated in Tanzania
Supplementary Documents	The reports of the Audit & Risk and Social & Ethics Committees, the Sustainability and ESG Data Supplement and the Annual Financial Statements
TGA	Australian Therapeutic Goods Administration
The Company	Aspen Pharmacare Holdings Limited
TMDA	Tanzania Medicines and Medical Devices Authority
TRA	Turkish Regulatory Authority
TRIFR	Total Recordable Incident Frequency Rate
Turkey MOH	Republic of Turkey Ministry of Health
UN SDGs	United Nations Sustainable Development Goals
UNDA	Ugandan National Drug Authority
US FDA	United States Food and Drug Administration
WHO	World Health Organization
ZAMRA	Zambia Medicine Regulatory Authority

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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