



Social & Ethics
Committee Report 2021



Social & Ethics Committee Report

The table below reflects a summary of the activities undertaken by the Social & Ethics Committee during the year under review, in accordance with its terms of reference and in support of the Board, with the resulting material outcomes from these activities:

Activities	Outcome
Assisted the Board in continuing to coordinate Aspen's response to COVID-19	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> – 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 healthcare professionals ("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 a Socio-Economic Development ("SED") perspective, ensuring that support was directed to initiatives launched to provide assistance in combatting the disease in its impacts, such as: <ul style="list-style-type: none"> – 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.
Oversight of social and ethical issues	<ul style="list-style-type: none"> • Reviewed and approved the policies, strategies and structures to manage our social and ethics issues, including the application of our Code of Conduct ("Code of Conduct" or "Code"); • Considered regulatory developments as well as practice in the fields of social and ethics management; • Monitored the development and application of policies, guidelines and practices in line with our social and ethics policies, King IV¹, employment equity legislation and related regulations, the Carbon Disclosure Project and the FTSE/JSE Responsible Investment Index; • Reviewed reports on tip-offs received during the year and how these had been dealt with; • Oversaw an independent ethical culture risk assessment conducted by 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; • 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; and • 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.
Ensuring responsible corporate citizenship	<ul style="list-style-type: none"> • 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; and • Considered reports and trends in relation to our responsibilities to consumers.
Focusing on sustainability	<ul style="list-style-type: none"> • Reviewed our performance in respect of environmental, social and corporate governance ("ESG") and sustainability considerations and assessed our performance in respect of social and ethical issues; and • Reviewed and approved reporting on our capitals within the ambit of the Committee.
Considering assurance	<ul style="list-style-type: none"> • 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; and • Internal assurance was obtained in respect of the Group's ethics management programme.

¹ The King IV Report on Corporate Governance for South Africa, 2016™ ("King IV" or "the King Code"). Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.



Social & Ethics Committee Report continued

Committee members and attendance at meetings

The following table of attendance at Social & Ethics Committee meetings reflects the Committee's meetings held during the year and the attendance of these meetings by its members during the year:

Social & Ethics Committee	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%.

Ensuring integrity

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. Full details around the Group's approach to ensuring it maintains its reputation as an ethical organisation and the role of the Committee in this regard are included in the Social and relationship capital section of our Integrated Report, as well as in the Committee's mandate, available online at www.aspenpharma.com/corporate-governance-and-risk-management/.

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 Committee. The Group Executive: Governance & Communications has provided 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 provided 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 the 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 both the Audit & Risk Committee and Social & Ethics Committee on a quarterly basis.

A summary of the number and nature of tip-offs received during the year is provided in the Social and relationship capital section of our Integrated Report.

Code of Conduct

We have a zero-tolerance approach to unethical behaviour. 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 the Group's ethics management programme.

Our policies on ethical standards, expected conduct, forbidden activities and whistleblowing have been translated to ensure that all employees throughout the Group are able to access and understand what is required from them.

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, their associates or executive employees of the Group during a closed period or while they are in possession of inside information.

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.



Social & Ethics Committee Report continued

In our capacity as a signatory to the UN Global Compact, we pride ourselves on our reputation for respecting basic human rights, engaging in fair labour practices, being environmentally responsible and having a zero-tolerance approach to corruption. Suppliers and service providers are required to agree to the Ethical Standards and Human Rights Undertaking, as included in our Code of Conduct for Suppliers and Service Providers (available [online](#)). In agreeing to the provisions of this document, these parties warrant that:

- They do not use or engage in child labour or indentured labour;
- A safe and healthy workplace is provided for employees;
- Employees are not unfairly discriminated against;
- No corporal punishment, any form of abuse or cruelty is applied or supported;
- Each employee is paid at least a minimum wage or a fair representation of the prevailing industry wage;
- All laws on working hours and employment rights relevant to the business are complied with; and
- Employees are free to join and form independent trade unions and have the freedom of association.

In accordance with The Department of Trade, Industry and Competition's BBBEE Codes of Good Practice ("BBBEE Codes"), our Transformation Policy promotes employment equity and the provision of advancement opportunities to historically disadvantaged individuals. During the year, no incidents of unfair discrimination were identified in the Group (2020: zero).

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.

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, Industry and Competition's Broad-Based Black Economic Empowerment ("BBBEE") Act, and the associated Codes of Good Practice.

The Committee has defined 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. We achieved a Level 4 contributor status for the 2021 financial year in accordance with the Department of Trade, Industry and Competition's Codes of Good Practice.

More information on our BBBEE philosophy and our transformation performance for 2021 is provided in our 2021 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 and on our Natural capital in our 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 high quality and affordable 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.

Message from the outgoing Chair

I would like to express my thanks to my colleagues who have served with me on the Social & Ethics Committee, and extend a word of welcome to my successor, Ben Kruger, who will chair the Committee with effect from 9 December 2021.

The Social & Ethics Committee is satisfied that, for the year under review, it has complied with its statutory responsibilities and the responsibilities assigned to it by the Board.

Sindi Zilwa

Social & Ethics Committee Chair



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