



Healthcare. We Care.



Social & Ethics
Committee Report

2022



Social & Ethics Committee Report

This report should be read in conjunction with the disclosure in our Integrated Report, with particular reference to [page 107](#) thereof. The Committee's mandate may be found [online at https://www.aspenpharma.com/corporate-governance-and-risk-management/](https://www.aspenpharma.com/corporate-governance-and-risk-management/).

Increasing access to medicines as an environmental, social and corporate governance (“ESG”) focus area for Aspen

Aspen's industry position as a global pharmaceutical company, with its broad portfolio of medicines and strategic manufacturing capability, has favourably positioned it to further the global goal of universal access to healthcare and to contribute to the increase in access to medicines. This aligns with the Group's goal to deliver high quality, affordable medicines to patients who need them. This also provides us with the opportunity to support the World Health Organization's (“WHO's”) promotion of Universal Health Coverage, and with advancing the goals and outcomes of the UN SDG 3 of “ensuring healthy lives and promoting well-being for all at all ages.”

With this in mind, the Social & Ethics Committee has played a leading role in considering the development and implementation of a number of initiatives to progress Aspen's pursuit of enhancing broader access to medicines, including:

- considering extensive research performed by management on inequitable access to medicines and understanding stakeholders' expectations in this regard;
- guiding management on the drafting of Aspen's position paper on increasing access to medicines as an ESG and sustainability focus area for the Group; and
- working with the Remuneration & Nomination Committee to align Aspen's remuneration philosophy, incorporating sustainability ESG key performance indicators (“KPIs”) into our performance and incentive schemes, including a specific KPI related to “access to medicine” in the Group's long-term management incentive scheme.

The COVID-19 pandemic brought into sharp focus the importance of health security and the need to find innovative solutions to support global efforts aimed at ensuring that patients everywhere get the medicines they need.

The Committee will, along with the Board and its other committees, remain keenly involved in spearheading Aspen's efforts in this regard.

Other areas of focus

The below reflects a summary of the other focus areas and outcomes of the Social & Ethics Committee during the year under review, in accordance with its terms of reference and in support of the Board:

- 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;
- Provided oversight and guidance in respect of the employee engagement survey conducted throughout the Group to gauge employee satisfaction aspects, understand areas of concern and to measure net-promoter scores;
- 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 (“CDP”) and the FTSE/JSE Responsible Investment Index;
- Considered the Group's ongoing response to the COVID-19 pandemic from an employee, patient and socio-economic development (“SED”) perspective, ensuring that support was directed to initiatives launched to provide assistance in combatting the disease in its impacts;
- 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, as well as reports and trends in relation to responsibilities to patients;
- 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 B-BBEE targets, the employment equity and skills development plans for our South African businesses, and considered the external verification of our empowerment activities;
- Reviewed our performance in respect of ESG and sustainability considerations and assessed our performance in respect of social and ethical issues; and
- Obtained internal assurance in respect of the Group's Ethics & Compliance programmes.

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:

Social & Ethics Committee	19 August 2021	19 November 2021	17 February 2022	9 June 2022
Ben Kruger (Chair)	X	X	X	X
Kuseni Dlamini	X	X	X	X
Reginald Haman	X	X	X	X
Yvonne Muthien	N/A	N/A	N/A	X
Sindi Zilwa***	X	X	N/A	N/A

* Mr Kruger was appointed as Chair of the Committee with effect from 9 December 2021.

** Ms Muthien was appointed as a member of the Committee with effect from 8 March 2022.

*** Ms Zilwa stepped down as Chair and member of the Committee with effect from 9 December 2021.

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



Social & Ethics Committee Report continued

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 Society section of our Integrated Report, as well as in the Committee's mandate, available [online](http://www.aspenpharma.com/corporate-governance-and-risk-management/) 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 whistle-blower reports

An independently monitored whistle-blowing hotline, Deloitte's Tip-Offs Anonymous Hotline, 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 Society 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 of Conduct 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 whistle-blowing 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 provides 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.

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 B-BBEE Codes of Good Practice ("B-BBEE Codes"), our Transformation Policy promotes employment equity and the provision of advancement opportunities to historically disadvantaged individuals. During the year, no substantiated incidents of unfair discrimination were identified in the Group (2021: zero).



Social & Ethics Committee Report continued

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 People in the Integrated Report.

Promoting B-BBEE 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 ("B-BBEE") 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 B-BBEE Codes and has an ongoing responsibility to monitor and review all aspects of our B-BBEE strategies. We achieved a Level 4 contributor status for the 2022 financial year in accordance with the Department of Trade, Industry and Competition's Codes of Good Practice.

More information on our B-BBEE philosophy and our transformation performance for 2022 is provided in our Sustainability and ESG Data Supplement available [online](#), and in our Society section 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 sections on Our People and on our Environment in our Integrated Report, as well as the Sustainability and ESG 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, affordable healthcare solutions accessible to millions of patients in more than 115 countries is contained in our responsible corporate citizenship philosophy available [online](#). Please refer to our reporting on Society 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.

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.

Ben Kruger

Social & Ethics Committee Chair



Aspen Holdings Head Office

Durban, South Africa
Aspen Place, 9 Rydall Vale Park
Douglas Saunders Drive
La Lucia Ridge
Tel: +27 31 580 8600

www.aspenpharma.com