# Aspen Pharmacare Holdings Ltd. - Climate Change 2022

## C0. Introduction

### C0.1

**(C0.1) Give a general description and introduction to your organization.**

Aspen is a pharmaceutical company listed on the Johannesburg Stock Exchange Limited ("JSE"). Aspen employs approximately 9 100 employees and its heritage dates back more than 160 years in South Africa. Aspen supplies a broad range of post-patent, branded medicines and domestic brands spanning many therapeutic areas to more than 150 countries worldwide. The Aspen brand has become synonymous with high quality and affordable products. Aspen recognises that climate change has potential direct and indirect implications on its operations and is therefore relevant to Aspen's sustainability objectives. As at 30 June 2021, the Group had 23 manufacturing facilities across 14 sites. The manufacturing sites contribute to the bulk of Aspen's carbon emissions and as such environmental reporting is focused at a manufacturing site level. The Aspen-owned corporate office in Durban, South Africa is the largest owned commercial office and is excluded in our footprint calculations as it contributes to <1% of our total Scope 1 and Scope 2 emissions. The main contributors to Aspen's Scope 1 emissions are natural gas, refrigerants and fuel consumption while Scope 2 emissions are comprised of purchased electricity and steam.

### C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|---|---|---|---|---|
| Reporting year | July 1 2020 | June 30 2021 | Yes | 1 year |

### C0.3

**(C0.3) Select the countries/areas in which you operate.**

Australia
Brazil
France
Germany
Ghana
India
Kenya
Mexico
Netherlands
South Africa
United Republic of Tanzania
United States of America

### C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

ZAR

### C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

### C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|---|---|
| Yes, an ISIN code | ZAE0000666 |

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

| Position of individual(s) | Please explain |
|---|---|
| Board Chair | The Aspen Board of Directors is led by the Chairman and is collectively responsible for setting the strategic direction for the Group and approving the Group's strategic objectives, one of which is "To practice good corporate citizenship". The Board is responsible for the oversight of performance against this strategic objective by considering both the financial aspects of the business and impact that the business operations have on the economic, physical and social environments in which Aspen operates. Aligned to the Group's strategic objectives, the Board ratifies the Group's material Key Performance Indicators (KPIs) annually, which includes KPIs relating to carbon emissions and electricity usage. The achievement of the Group's strategic objectives is monitored on the basis of these approved KPIs. The Group CE and the Deputy Group CE are Executive Director members of the Board and have overall responsibility for performance of the Group. The Board executes its mandate through the support of its Committees. The Chairpersons of each of the committees reports the outcome of its programme of work to the Board. The Audit and Risk Committee is responsible for the governance of the Group's enterprise risk management (which includes climate-related risks) and reviews the strategic risk profile. The Social and Ethics Committee, of which the Board Chair is a standing invitee, is responsible for the governance of the Group's social, environmental, human rights and ethics responsibilities. The Remuneration and Nomination Committee is responsible for the assessment of the performance of the Executive Directors. The Board Chair is also a member of this Committee. As a directive from the Chairman of the Board (and endorsed by Aspen Strategic leadership), the business is currently revisiting its broader sustainability strategy, with a focus on climate change. A sustainability materiality assessment survey was conducted in 2020 to engage with Board Members, Business Leaders and Functional Executives and the outcome confirmed that both climate change and water security are considered priority sustainability topics. Progress on developing the sustainability strategy is reported to the Board, through its committees, on a quarterly basis. |
| Board-level committee | A sub-committee of the Board (the Social and Ethics Committee) is responsible for the governance of the Group's social, environmental, human rights and ethics responsibilities in accordance with the relevant regulations and guidelines. Aspen's Audit and Risk Committee is responsible for the governance of the Group's enterprise risk management (which includes climate-related risks) and reviews the strategic risk profile. The Remuneration and Nomination Committee is responsible for the assessment of the performance of the Executive Directors. |
| Chief Executive Officer (CEO) | The Group Chief Executive and the Deputy Group Chief Executive are Executive Director members of the Board and have overall responsibility for performance of the Group. The Deputy Group Chief Executive is the manager of the Group Chief Corporate Services Officer (who has reporting oversight of the Group Risk and Sustainability function). The Executive approves business unit strategies, budgets and capital projects. (Note: Effective from 1 January 2022, the Deputy Group Chief Executive retired from this role and as Board member – the commentary in this CDP return aligns to the structures that were effective for the reporting period ended 30 June 2021). |

### C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Scope of board-level oversight | Please explain |
|---|---|---|---|
| Scheduled – all meetings | Reviewing and guiding major plans of action<br>Reviewing and guiding risk management policies<br>Reviewing and guiding annual budgets<br>Reviewing and guiding business plans<br>Monitoring implementation and performance of objectives<br>Overseeing major capital expenditures, acquisitions and divestitures | <Not Applicable> | As per (C1.1a) above, the Group's strategic objectives and related KPIs are ratified by the Board on an annual basis. The Group Chief Corporate Services Officer presents the Group's performance against these objectives and KPIs to the Board at each of its scheduled quarterly meetings. The Group's Executive Risk Forum (which comprises the Deputy Group CE, the Group Chief Operations Officer, the Group Chief Financial Officer, the Group Chief Corporate Services Officer and the Group Chief Strategic Development Officer) present the top enterprise-wide risks to the Group Audit & Risk Committee at the scheduled quarterly meetings, after which the risk profile is included in this Committee's report to the Board. This includes significant climate-related risks that have been identified and the Board reviews how the proposed risk mitigation has been considered in the business plan of the impacted business units. Any major capital expenditure needed to implement the proposed mitigation would be included in the review and approval processes as per the Group's approval framework. The Group SHE function, (which falls under the Group Chief Operations Officer's reporting line) presents key environmental compliance and performance data to the Social & Ethics Committee on a quarterly basis. |

### C1.1d

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

| | Board member(s) have competence on climate-related issues | Criteria used to assess competence of board member(s) on climate-related issues | Primary reason for no board-level competence on climate-related issues | Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future |
|---|---|---|---|---|
| Row 1 | Not assessed | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

| Name of the position(s) and/or committee(s) | Reporting line | Responsibility | Coverage of responsibility | Frequency of reporting to the board on climate-related issues |
|---|---|---|---|---|
| Chief Executive Officer (CEO) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | Quarterly |
| Other C-Suite Officer, please specify (Deputy Group Chief Executive) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | Quarterly |
| Other committee, please specify (Executive Risk Forum) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | Quarterly |

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The responsibility for climate-related issues in the first instance lies with the Site Head, who is responsible for developing and executing the business unit strategy in alignment with the overall Group strategy. The Site Head is responsible for conducting a site risk assessment, which would include climate-related risks and for driving performance aligned to the Group's KPIs. In respect of operational aspects, Site Heads report to Group Executives who ensure strategic alignment across the Group's operations. Technical input is provided by Group Operations SHE (who report, through the Group Chief Operations Officer) and Group Sustainability. In respect of overall performance, Site Heads are ultimately accountable to the Group Chief Executive and Deputy Group Chief Executive. In respect of enterprise risk management, significant and material risks are reported by the Site Heads, through their Group Executive, as appropriate, to the Executive Risk Forum (comprised of the Deputy Group Chief Executive, the Group Chief Operations Officer, the Group Chief Financial Officer, the Group Chief Corporate Services Officer and the Group Chief Strategic Development Officer). The Executive Risk Forum provides the Group Audit and Risk (A&R) Committee with a Group view on the top risks (including climate-related risks) and related mitigations, who then report on this risk profile to the Board.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

| | Provide incentives for the management of climate-related issues | Comment |
|---|---|---|
| Row 1 | Yes | Incentives are provided by some sites, and these can be in monetary or non-monetary form. These incentives can also be small prizes given during site/company campaigns. For the Group CE and Deputy Group CE, 25% of their short-term cash incentive is based on the result of the achievement of individual KPA objects. One of the individual objectives is defining a roadmap for addressing water security and electricity disruptions in respect of the South African production sites. |

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

| Entitled to incentive | Type of incentive | Activity incentivized | Comment |
|---|---|---|---|
| Chief Executive Officer (CEO) | Monetary reward | Company performance against a climate-related sustainability index | Individual KPI short term incentives for the Group CE and Deputy Group CE for 2021 include defining a roadmap for addressing water security and electricity disruptions in respect of the South African production sites. |
| Other, please specify (Engineering/ Facilities Managers ) | Monetary reward | Energy reduction project | In the operations in South Africa and Brazil, energy reduction and efficiency projects form part of the Engineering Manager's key performance areas (KPAs), The KPAs are directly linked to the performance appraisal process and the awarding of performance-based annual increases. |
| Energy manager | Monetary reward | Energy reduction target | Incentives are given to Energy Managers and their teams in France and Germany when energy reduction targets are met as per their ISO 50001 objectives and targets. |
| All employees | Non-monetary reward | Behavior change related indicator | In some operations such as South Africa and Tanzania, employees are rewarded for active participation and proposing innovative ideas during environmental campaigns which include climate change, water security and global warming. The rewards take the form of prizes, recognition or giveaways to participants in the campaigns. In FY2021 the Short-Term Incentive scheme for eligible employees included "Improvement in the Group's FTSE/JSE Responsible Investment Index score" as an indicator. The aforementioned index includes climate-related criteria. |

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

| | From (years) | To (years) | Comment |
|---|---|---|---|
| Short-term | 0 | 2 | None |
| Medium-term | 2 | 5 | None |
| Long-term | 5 | 20 | 20 years and beyond. |

### C2.1b

**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

A substantive financial impact is defined as any material loss in the ability to operate and manufacture products, including loss of revenue in any of the regions. A substantive strategic impact is defined as any material issue that has the potential to substantially impact Aspen's ability to create and sustain value for our stakeholders. Both quantitative and qualitative factors are taken into account in determining materiality.

The risk assessment methodology requires the assessment of the identified risks in relation to the potential impact and this provides the assessment of substantive financial or strategic impact at the business unit level and at the Group level. A predefined 4-point scale categorises the impact from catastrophic to minor, taking into account the potential financial impact, impact on the viability of the current and future planned business model, and supporting systems; impact on compliance to regulations/ legislation/ contractual agreements/ internal governance procedures; and/or impact on the Group's reputation and/or its stakeholders. The financial impact is measured using 'Earnings before interest, taxes and amortization' (EBITA) or loss in operating profit. With reference to the 4-point scale, a Catastrophic/ Exceptional and Critical/ Substantial rating will present a substantive financial or strategic impact on our business.

1. Catastrophic/ Exceptional

EBITA or operating profit impact of more than 30% to the business unit; and/or Event expected to have a significant impact to the viability of the current and future planned business model and supporting systems ; and/or Major non-compliance to regulations/legislation/ contractual agreements/internal governance procedures which could lead to material penalties/ material trade restrictions; and/or Event which could have a sustained impact on the Group's reputation and/or its stakeholders if not mitigated effectively.

2. Critical/ Substantial

EBITA or operating profit impact of more than 20% to the business unit; and/or Event expected to have a moderate impact to the viability of the current and future planned business model and supporting systems; and/or A serious breach of regulations/legislation/ contractual agreements/internal governance procedures which could lead to material penalties and/or result in temporary trade restrictions; and/or Event which could have a significant but temporary impact on the Group's reputation and/or its stakeholders if not mitigated effectively.

3. Moderate (not considered a substantial financial/ strategic impact)

EBITA or operating profit impact of more than 10% to the business unit; and/or The viability of the business model is not expected to come under scrutiny but could have some impact on the effectiveness of supporting systems; and/or A minor breach of regulations/legislation/contractual agreements/internal governance procedures and could result in minor penalties. Continuity of operations not expected to be impacted; and/or Event which is expected to have a negligible negative impact on Aspen's reputation and impact to related stakeholders.

4. Minor (not considered a substantial financial/ strategic impact)

EBITA or operating profit impact of 5% to 10% to the business unit; and/or The viability of the current and future planned business model not impacted; The event could impact viability of supporting systems; and/or Event does not constitute a breach of regulation/legislation; and/or Event does not negatively impact the Group's reputation.

## C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**
Direct operations
Upstream

**Risk management process**
Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**
More than once a year

**Time horizon(s) covered**
Short-term
Medium-term
Long-term

**Description of process**
Risk management is an embedded attribute of Aspen's corporate culture and is inherent in all its business decisions, activities and transactions. An integrated approach to risk management is implemented giving due consideration to economic, environmental and social indicators impacting the Company and its stakeholders. Strategic, operational, financial and compliance risk assessments are conducted annually at a business unit level and at a company level and are updated on an ongoing basis (at least each quarter). Group-wide risks are identified by the Group Risk function and reported to the Executive Risk Forum (comprised of the Deputy Group Chief Executive, the Group Chief Operations Officer, the Group Chief Financial Officer, the Group Chief Corporate Services Officer, the Group Chief Commercial Officer and the Group Chief Strategic Development Officer). The risk assessment is performed in accordance with the approved Group Risk Management policy and Group Risk Management Framework. The following aspects are considered with specific reference to climate change: (i) The effectiveness of environmental management systems. (ii) Responsible management of energy and carbon footprint. (iii) Environmental risks (physical and transitional). The risk assessment methodology requires the assessment of the identified risks in relation to the potential impact and the probability. A predefined 4-point scale categorises the impact from catastrophic to minor taking into account the potential financial impact, impact on the viability of the current and future planned business model and supporting systems; impact on compliance to regulations/legislation/ contractual agreements/internal governance procedures; and/or impact on the Group's reputation and/or its stakeholders. The application of a likelihood assessment (from "almost certain" to "unlikely") to the impact rating results in an overall inherent risk rating. The effectiveness of the risk mitigations is assessed to determine the residual level of risk. These inherent and residual risk assessments are used to rank risks relative to each other. Interdependent risks and/or risk concentrations are considered by the Executive Risk Forum and included in their Group risk report, as necessary. The business unit integrated risk assessments are supported by SHE-related risk assessments which are conducted using a systematic approach for the identification and assessment of all safety, health and environmental risks, including climate change. All activities, processes, plant machinery and energy sources are taken into consideration under normal, abnormal and emergency conditions. Parameters such as severity, occurrence and exposure are used to calculate the inherent and residual risk, and then prioritized according to the determined risk levels. Proposed solutions and resources required for mitigating significant risks and impacts are presented to Executive Management for approval. The status of the risk mitigation plans is reported on a regular basis during the site SHE performance review meetings. During the reporting period, a Group-level climate risk and opportunities assessment was conducted in alignment with the methodology set out in TCFD. This assessment considered both transition and physical risks and identified climate-related opportunities. A combination of reduced precipitation and rising temperatures impacting the supply and security of water within our South African operations was identified as a physical risk impacting these operations. The introduction of a carbon pricing system in South Africa was identified as a transition risk which is anticipated to become more stringent and result in increased operational costs. The control of physical and transition risks is incorporated in the facility SHE management systems through management and monitoring of legal and other requirements for carbon pricing, training and awareness, and resource conservation programmes. This annual assessment will further inform our climate change strategic response and our reporting in climate related risks and opportunities. The assessment is predominantly focused on our own operations as well as direct upstream supply risks and opportunities for now. It is envisaged that it would be extended to cover the entire value chain, as relevant, as we mature the risk assessment process. In the short to medium term, a scenario analysis will be conducted to facilitate strategic and risk management decisions which will allow the company to understand the risks and uncertainties it may face under different hypothetical futures, and how those conditions may affect its performance. This will further contribute to the development of greater strategy resilience and flexibility for a low-carbon economy consistent with a 2°C or lower scenario.

## C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

| | Relevance & inclusion | Please explain |
|---|---|---|
| Current regulation | Relevant, always included | Our ability to ensure compliance with all current environmental regulation is relevant to all of our operations. For example, risk exposure to carbon pricing taxation is a regulatory risk which our South African operations is currently faced with. An increase in carbon taxes directly results in higher operational costs. |
| Emerging regulation | Relevant, always included | Emerging regulations relating to climate change increases the scope of compliance obligations and could result in fines, penalties and/or disruption to operations where there is a delay in meeting legally imposed timeframes. Increased costs to adapt to new legislative requirements could also impact operating costs. For example, transition regulations regarding carbon pricing are expected for our operations in the Netherlands. It is also anticipated that product labelling in Europe may be extended to additional industries in the future and any legal developments will be closely monitored. |
| Technology | Relevant, always included | In order to adapt to new regulatory requirements and/or adopt new technologies in line with our environmental policy objectives, technology risks are considered especially in relation to the capital investment required. Investing in green technology, such as solar energy and biomass at our operations in Gqeberha, South Africa is an example. |
| Legal | Relevant, always included | Our business activities have not exposed us to climate related litigation, and we do not anticipate this materialising into a substantive risk. However, the potential for this risk increases as climate disclosures are expanded, e.g., the National GHG Emission Reporting Regulations in South Africa. This risk factor is therefore monitored. |
| Market | Relevant, always included | Risks arising due to changes in expectations from key stakeholders (for example, key customers and end consumers) are considered relevant, especially in respect of our “social license to operate” and reputational impacts. For example, increasing environmental consciousness in customer purchasing decisions in tender adjudication criteria have been experienced within the Group. |
| Reputation | Relevant, always included | Usually as a consequence of not managing one of the other categories of risk, reputational risks are considered at both the Group and business unit level. The pharmaceutical industry is not considered a significant emitter and the use of pharmaceutical products are not carbon intensive. Climate change has however become a highly sensitive topic for multinational companies and investors are demanding increased action and more transparent disclosure. This places increased pressure on Aspen to disclose on our strategic and environmental impacts, which in turn requires increased investment costs and a higher focus. Reputational risks related to climate change could therefore potentially impact our net earnings and investor-related requirements. |
| Acute physical | Relevant, always included | No acute physical risks were identified during the reporting period |
| Chronic physical | Relevant, sometimes included | Chronic physical risks are relevant and have been experienced in terms of changes in precipitation patterns and extreme variability in weather patterns. This has been confirmed through our water risk assessment and water stress studies conducted for all our facilities. For the assessment and quantification of water stress, we utilize the World Resource Institute's (WRI) Aqueduct Water Risk Atlas, which indicates water risk trends of what can be reasonably expected based on historic data. The assessment tool allowed us to understand current water risks and anticipate future risk based on the measured ratio of total water withdrawals to available renewable surface and groundwater supplies in the respective water catchments. Our sites in Vallejo, Cape Town and Hyderabad are situated in extremely high water-stressed areas. Our Gqeberha site has been classified by the organisation as a high water stress location due to low surface water availability in the region. |

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Current regulation | Carbon pricing mechanisms |

**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

South Africa is amongst the world’s most carbon-intensive economies. Recognizing the importance of reducing carbon emissions and foreseeing the benefits that a low carbon economy can bring, the South African government has committed to ambitious greenhouse gas emission reductions of 34% by 2020 and 42% by 2025. This resulted in the formulation of the Carbon Tax Act and the Customs and Excise Amendment Act which came into effect on 1 June 2019. The operations in South Africa are strategic to the business and the introduction of the carbon tax in South Africa will have a direct cost impact on these operations in the short term. Currently, during Phase 1 of the carbon tax, key risks lie in the direct tax liability Aspen would be subjected to in light of potential changes in GHG emissions and the cost associated with that. Based on the low likelihood and low impact nature of this potential risk, we have identified this risk as low. Also, to adequately manage this risk, we remain abreast legislative changes, and monitoring and control measures, to minimise our GHG emissions, and in turn, our current carbon tax liability. Phase 2 of the carbon tax (2026 onward), on the other hand, poses a more significant risk to our operations in the medium term. Phase 2 is anticipated to decrease allowances available to tax payers which currently serves as means to reduce these costs. In addition, there is likely to be an increase in other energy costs, such as electricity, as the cost of carbon increases in the economy and energy providers pass these costs on to their customers. Similarly, an increase in locally sourced raw material costs could also be expected where suppliers are impacted by carbon pricing. Given the rising risk of climate change, there are also likely to be additional costs related to carbon pricing in other jurisdictions.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
0

**Potential financial impact figure – maximum (currency)**
2835618

**Explanation of financial impact figure**
Currently, under the Phase 1 approach of the carbon tax, the 60% tax-free allowances and additional allowances are taken into account, and the effective tax rate of up to R54 per ton of CO2e based on the 2021 carbon tax rate of R134/tCO2e. The 2021 carbon tax for the SA operations is still due for payment due to a delay in the registration process. As such, we are currently unable to quantify the exposure for the current reporting period. The annual rate is expected to increase to R144 per tonne in 2022. As a strategy to prepare South Africa for the structural transition to a climate-resilient economy, the government proposes to progressively increase the carbon tax rate each year by at least US$1 until it reaches US$20 per tonne of carbon dioxide equivalent by 2026. Based on this, Aspen could have an annual tax liability of ~R293.36/tCO2e x 9,666 tCO2e (based on 60% tax-free allowance)= ~R 2,835,618 by 2026. The start of phase 2 of carbon tax has been extended to January 2026, where a dramatic increase in carbon tax liability for Aspen is expected. It is anticipated that carbon prices will be implemented in other jurisdictions which could result in a material risk for our operations.

**Cost of response to risk**
0

**Description of response and explanation of cost calculation**
In the 2020 reporting period, consultants assisted the business in assessing its carbon tax liability in order to better quantify the short to long term financial risk. This was not conducted in the reporting period under review. Based on Aspen's awareness of the potential impact of carbon pricing in all of our jurisdictions, we have identified the value of scenario analyses as a mechanism of response to assess and understand the potential climate impacts to our business. We have not yet conducted this but anticipate doing so over time to understand and quantify real potential cost impact. This will assist in making the business case to address climate change across all Aspen sites.

**Comment**
None.

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**Identifier**
Risk 2

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Current regulation | Mandates on and regulation of existing products and services |

**Primary potential financial impact**
Increased capital expenditures

**Climate risk type mapped to traditional financial services industry risk classification**
<Not Applicable>

**Company-specific description**
Aspen makes use of HVAC and associated refrigerants in order to maintain the required environmental conditions for the manufacture of pharmaceutical products. As per the requirements of the Montreal Protocol, Aspen is required to seek alternative "ozone-friendly" refrigerants as per the mandatory timelines. The Montreal Protocol on Substances that Deplete the Ozone Layer is widely regarded as the world's most successful environment protection agreement. It is the only treaty with universal ratification, with all 197 member countries of the United Nations having accepted legally-binding obligations to phase out the production and consumption of ozone-depleting substances, including the countries in which Aspen operates. The Protocol sets out a mandatory timetable for the phase-out of ozone-depleting substances in particular hydrochlorofluorocarbons (HCFC), such as R22 for developed and developing countries. R22 has come under the spotlight because of its harmful impact on the ozone layer but also because it is classified as a greenhouse gas (GHG) which contributes to climate change. The deadline for developed countries for the complete phase-out is 2020 and 90% reduction in usage of R22 by 2015. In Europe, all HCFC top-ups were prohibited from 1 January 2015. In developing countries such as South Africa, Kenya, Tanzania, Ghana, and Brazil, within which we operate, the deadline for the total ban of R22 is 2030. Further, in South Africa, the phase down and phase out of synthetic greenhouse gas emissions will be legislated as part of the Climate Change Bill, which may accelerate this timeline. The phase-out of refrigerants with a high global warming potential to those with a low GHG impact may lead to increased capital costs.

**Time horizon**
Long-term

**Likelihood**
Virtually certain

**Magnitude of impact**
Medium

**Are you able to provide a potential financial impact figure?**
Yes, a single figure estimate

**Potential financial impact figure (currency)**
5000000

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**

The SA Operations contributes 77% of our fugitive emissions due to the use of refrigerants. With reference to the South African Regulations regarding the Phasing- Out and Management of Ozone Depleting Substances (8 May 2014), a fine not exceeding R5 million, in the case of a first conviction, is expected where a company fails to comply, or contravenes a condition or requirement of an approval issued in terms of these Regulations. Similar such implications are expected globally in instances of non-compliance with these regulatory changes.

**Cost of response to risk**
6000000

**Description of response and explanation of cost calculation**
Possible solutions include: 1. The replacement of existing units with new units that use alternatives to R22 such as R407c, R404a or Ammonia. This is the most expensive but simplest option. 2. Conversion of existing units to enable them to utilise alternatives to R22 substitutes. While both options will incur costs, it is anticipated that the price of R22 will increase once the ban and import prohibition is in place. The exact financial impact for the Group has not been quantified and will differ from country to country. Capital expenditure will be required for the replacement and refurbishment of HVAC units. In addition, a change to alternative refrigerants could increase the operational costs of the HVAC units. Currently, the total cost has not been established although, the average cost of a chiller unit is between R2.5 and R6 million and the average cost of a small air conditioner is between R15,000 and R40,000. Thus, the highest potential cost of response to this risk is estimated to be R6 million for the replacement of one chiller unit. Aspen has found value in implementation of various mitigation measures to drive emission control and carbon reduction in our business. We have identified the quantification of the cost of phasing-out refrigerants as a method to develop adequate business cases for anticipated investments in the future.

**Comment**
None.

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**Identifier**
Risk 3

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Reputation | Increased stakeholder concern or negative stakeholder feedback |

**Primary potential financial impact**
Decreased access to capital

**Climate risk type mapped to traditional financial services industry risk classification**
<Not Applicable>

**Company-specific description**
Stakeholder/investor expectations around climate action and disclosure are increasing significantly. Although the industry is not regarded as one of the main climate change culprits, investor questions and interest in climate change issues are on the increase. Investors and financial institutions are also increasingly required to assess climate change risks and impacts as part of their investments. As financial institutions increasingly incorporate climate and other ESG factors in their rating criteria, companies that do not manage these risks could experience decreased access to capital and/or increased costs of obtaining capital. In addition, staff and new potential employees view the company they work for as a good corporate citizen. To maintain our positive reputation amongst investors and customers, Aspen recognises the risks associated with adhering to climate-related considerations and associated mitigation efforts.

**Time horizon**
Medium-term

**Likelihood**
Very likely

**Magnitude of impact**
Medium

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
No real impact related to reputational risk has been experienced to date.

**Cost of response to risk**
0

**Description of response and explanation of cost calculation**
We are in the process of developing a clear position statement, absolute targets for emissions reduction and a climate action strategy within the next two (2) years. Assessment of our climate risks and opportunities, guidance on setting of targets and strategies for climate action and improving our climate change disclosures will be facilitated by specialist consultants. Consistent with our commitment to responsible corporate citizenship for sustainable development, Aspen is committed to practicing responsible environmental stewardship.

**Comment**
None.

---

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**
Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**
Opp1

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Resource efficiency

**Primary climate-related opportunity driver**
Use of more efficient production and distribution processes

**Primary potential financial impact**
Reduced direct costs

**Company-specific description**
In Aspen, all manufacturing facilities are required to include environmental indicators such as fuel consumption and electricity consumption for sustainability reporting. In line with one of Aspen's key values, i.e. innovation, and commitment to compliance with its ISO 14001 Environmental Management Systems, and ISO 50001 Energy Management Systems, we strive for continual improvement. As such, energy conservation and efficiency projects which create investment and improvement opportunities for the sustainable development of the business are promoted.

**Time horizon**
Short-term

**Likelihood**
Virtually certain

**Magnitude of impact**
Medium

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
The financial impact is dependent on the annual capital expenditure required to fund the resource conservation initiatives identified.

**Cost to realize opportunity**
0

**Strategy to realize opportunity and explanation of cost calculation**
Energy consumption and efficiency is a strategic sustainability priority to reduce our carbon footprint. The investment in such climate action initiatives is therefore actively promoted within the Group. Driving reduction in energy, carbon and other utilities such as water reduces operational costs (including tax liability) and demonstrates commitment to addressing climate change to external stakeholders.

**Comment**
Costs are variable. In order to drive this effectively, the cost of carbon needs is, where possible, included in the capital project process and also in the design of all new facilities and equipment purchasing.

---

**Identifier**
Opp2

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Energy source

**Primary climate-related opportunity driver**
Use of supportive policy incentives

**Primary potential financial impact**
Returns on investment in low-emission technology

**Company-specific description**
The German government is incentivising businesses to implement energy management systems by providing tax refunds. This facilitated the installation of a 600 kW CHP unit at the Aspen ABO, Germany facility.

**Time horizon**
Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**
Low

**Are you able to provide a potential financial impact figure?**
Yes, a single figure estimate

**Potential financial impact figure (currency)**
1775620

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
The German government is incentivizing businesses to implement energy management systems by providing tax refunds. Aspen Bad Oldesloe, the German facility, received tax refunds of R2,034,698 (€105,689) in the 2019/2020 financial year and R1,775,620 (€104,699) in the 2020/2021 financial year.

**Cost to realize opportunity**
13425000

**Strategy to realize opportunity and explanation of cost calculation**
The German site successfully implemented the ISO 50001 energy management system to provides a systematic approach to achieve continual improvement of energy performance, including energy efficiency, energy use and consumption, as well as the accurate monitoring and reporting thereof in order to demonstrate the corresponding decrease in emissions. Due to resource conservation as a result of the installation of the Combined Heat and Power (CHP) plant, the German facility qualifies for annual tax refunds. The German site invested approximately € 65 000 (R945 000) to implement the ISO 50001 system and to cover the on-going expenses linked to maintenance and auditing. The CHP cost approximately R12, 480,000 (€970 000).

**Comment**
None

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**Identifier**
Opp3

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Energy source

**Primary climate-related opportunity driver**
Use of lower-emission sources of energy

**Primary potential financial impact**
Reduced direct costs

**Company-specific description**
Continuous rise in temperature and reduction in diurnal temperature changes each day has been experienced in recent years. An opportunity to generate power from renewable sources such as solar, as a way of mitigating both climate risk and security of supply risk, has therefore been created, specifically in South Africa. Installation of solar panels at the Gqeberha site has reduced the energy consumption from the national electricity grid in South Africa. This initiative is considered a significant achievement in light of the high emission factor for electricity in South Africa. A notable reduction in electricity costs is also expected. Other facilities in Africa and Europe will also be investigating opportunities to harness solar energy.

**Time horizon**
Short-term

**Likelihood**
Likely

**Magnitude of impact**
Medium

**Are you able to provide a potential financial impact figure?**
Yes, a single figure estimate

**Potential financial impact figure (currency)**
7998947

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
The financial impact is calculated on the annual expected monetary saving for the solar projects implemented on the Gqeberha, South Africa, site.

**Cost to realize opportunity**
0

**Strategy to realize opportunity and explanation of cost calculation**
Solar energy panels providing 1MVA of power have been installed on the Gqeberha, South Africa site. This was at the limit of the current allowable generation per erf. This initiative was procured through an energy Purchase Agreement and did not require any capital cost expenditure.

**Comment**
None

---

## C3. Business Strategy

### C3.1

**(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?**

**Row 1**

**Transition plan**

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

**Publicly available transition plan**

<Not Applicable>

**Mechanism by which feedback is collected from shareholders on your transition plan**

<Not Applicable>

**Description of feedback mechanism**

<Not Applicable>

**Frequency of feedback collection**

<Not Applicable>

**Attach any relevant documents which detail your transition plan (optional)**

<Not Applicable>

**Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

During 2021, an initial strategic climate risk assessment was performed with due consideration to material climate change drivers recommended by TCFD. We applied our strategic risk assessment methodology to identify and assess current and future climate-related risks. Further work is planned to quantify the identified risks which will allow the integration of these into the business strategy.

**Explain why climate-related risks and opportunities have not influenced your strategy**

<Not Applicable>

### C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

| | Use of climate-related scenario analysis to inform strategy | Primary reason why your organization does not use climate-related scenario analysis to inform its strategy | Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future |
|---|---|---|---|
| Row 1 | No, but we anticipate using qualitative and/or quantitative analysis in the next two years | Important but not an immediate priority | During 2021, an initial strategic climate risk assessment was performed with due consideration to material climate change drivers recommended by TCFD. We applied our strategic risk assessment methodology to identify and assess current and future climate-related risks. Further work is planned to quantify the identified risks which will allow the integration of these into the business strategy. |

### C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

| | Have climate-related risks and opportunities influenced your strategy in this area? | Description of influence |
|---|---|---|
| Products and services | Evaluation in progress | Future potential requirements for carbon labelling have been considered in our climate risk assessment due to the demand for lower carbon products. This could require research and investment in product life cycle analyses. It is anticipated that this could affect our market in Europe, and we will continue to track the relevant regulatory requirements. |
| Supply chain and/or value chain | Yes | In line with Aspen's business strategy and environmental considerations, suppliers are expected to conduct their business in an environmentally conscious manner, minimising the resources used and waste generated. This expectation is confirmed through the Aspen Supplier Code of Conduct, which is incorporated into all legal agreements with suppliers. The integration of our strategic supplier considerations into our Supplier Code of Conduct indicates the longevity and consistency of our environmental considerations, including climate-related impacts. The timeframes considered in this regard extend over the life of supplies. |
| Investment in R&D | Evaluation in progress | Aspen Pharmacare is a manufacturer and distributor of a broad range of post-patent, branded medicines and domestic brands spanning many therapeutic areas. Our product portfolio management strategy is focused on acquiring intellectual property, and therefore our investment in R&D as relates to new product development is not a material driver. We are however able to influence packaging design to a certain extent, and opportunities to reduce our carbon footprint have been identified for further investigation. |
| Operations | Yes | One of our key sustainability commitments is in respect of the environment: “We are committed to practice responsible environmental stewardship, seeking to minimise any negative impacts our operations have on the environment and to comply with applicable laws, regulations and other environmental and climate-related management requirements. Resource availability, cost and changes to legislation in each territory have played a role in developing the business strategy. Our environmental sustainability commitments are monitored by the following material key performance indicators that are reported to the Board as per the agreed reporting timelines: Volume of carbon emissions (bi-annually); Volume of waste recycled (quarterly); Electricity consumed (quarterly); and Volume of water used (quarterly). This intent is integrated into strategies for the Group’s manufacturing facilities with the implementation of formal conservation projects, in light of building local resilience to climate-related impacts. Substantial business decisions that have been influenced by climate change include the following: • The adoption of an internationally recognised environmental management system (ISO 14001) to formally manage continual improvement projects linked to resource conservation, reduced GHG emissions and prevention of environmental pollution at the majority of the manufacturing facilities, with certification awarded to the pharmaceutical facilities in South Africa, France, Australia, Netherlands, Brazil, Germany and Kenya. • The German (ABO) and France (NDB) sites implemented an ISO 50001 certified energy management system. The system enabled ABO and NDB to implement a systematic approach for managing continual improvement with respect to energy efficiency, energy security, energy use and consumption. The continual reduction in energy use will ultimately result in lower energy costs and greenhouse gas emissions. • The prioritization of energy, water and waste reduction projects at all manufacturing sites within the Aspen global structure. • Investment in energy efficient technologies as a sustainable input into manufacturing processes. |

## C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

| | Financial planning elements that have been influenced | Description of influence |
|---|---|---|
| Row 1 | Direct costs<br>Indirect costs<br>Capital expenditures<br>Capital allocation<br>Assets | Energy and waste management have direct and indirect cost implications on our cost of production and overhead costs. Depreciation on assets is also a cost. Climate-related risks and opportunities could result in an increase in direct and indirect costs or present an opportunity for savings; while mitigations and strategies to reduce carbon emissions also have a financial impact. For example, the increase in climate-related business interruption risks (including adverse weather events and sustained droughts) has resulted in increased expenditure being allocated to risk mitigations. This includes additional capex, as well as indirect cost impacts such as increases in property and business interruption insurance premiums, to reduce the risk of a sustained interruption to business. Many initiatives to address climate-related risks and opportunities require capital investment, replacing existing (functional) technology with new technology. In the construction of new facilities or when replacing existing plant and machinery, the investment in newer (possibly more expensive) energy efficient technology is given due consideration. This assists Aspen in minimising costs related to physical implications, as well as regulatory financial implications. In developing and implementing any climate-related strategies (whether operational or capital), the business case will require an evaluation of a number of criteria, which extends beyond traditional financial payback models. Consideration of the Group’s sustainability commitments, legislative requirements and business continuity as well as other implications (such as carbon tax and/or incentives), need to be incorporated. This often results in a careful consideration of a trade-off, with complexity introduced due to the longer timeframes associated with climate related risks and the qualitative aspects that cannot easily be incorporated into a financial feasibility model. These impacts (operational costs and capex requirements) are included in Aspen’s annual budgets and five-year rolling financial plan. |

# C4. Targets and performance

## C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

No target

## C4.1c

**(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.**

| | Primary reason | Five-year forecast | Please explain |
|---|---|---|---|
| Row 1 | We are planning to introduce a target in the next two years | A moderate reduction in Scope 1 and Scope 2 emissions is anticipated within the next 5 years as per the establishment of an absolute long term Group target. | Group-wide targets have not been implemented as yet. Focus is being given to implementing effective systems to measure energy usage and savings and to identify feasible conservation projects which will yield meaningful reductions within the Aspen Group. In 2020, a strategic decision was taken to consider the more long-term impact of climate-related risks and this process has been initiated. In the period under review, a company-wide climate risk assessment was conducted with a review of the proposed ten-year Group target to be done in 2023. Approval of the Group target by the Group Executive Committee and endorsement thereof by the Board will be followed by development of a climate action strategy also in 2023, including provision of the necessary Group support (technical, financial, etc.) through a collaborative process under the direction of the Group Risk & Sustainability function. A moderate reduction in Scope 1 and Scope 2 emissions, in proportion to the ten-year target, is anticipated within the next 5 years, |

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---|---|---|
| Under investigation | 0 | 0 |
| To be implemented* | 0 | 0 |
| Implementation commenced* | 12 | 5664 |
| Implemented* | 16 | 548 |
| Not to be implemented | 0 | 0 |

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in production processes | Process optimization |

**Estimated annual CO2e savings (metric tonnes CO2e)**

17

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

3391858

**Investment required (unit currency – as specified in C0.4)**

2883079

**Payback period**

<1 year

**Estimated lifetime of the initiative**

<1 year

**Comment**

Heat recovery on the air compressors in one of the facilities at the NDB site in France.

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in production processes | Machine/equipment replacement |

**Estimated annual CO2e savings (metric tonnes CO2e)**

32

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

59358

**Investment required (unit currency – as specified in C0.4)**

40702299

**Payback period**
>25 years

**Estimated lifetime of the initiative**
11-15 years

**Comment**
New energy-efficient demi water installation at one building at the Oss site in the Netherlands.

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in buildings | Lighting |

**Estimated annual CO2e savings (metric tonnes CO2e)**
439

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
1128667

**Investment required (unit currency – as specified in C0.4)**
0

**Payback period**
<1 year

**Estimated lifetime of the initiative**
6-10 years

**Comment**
Replacement of old halogen and metal halide lights with LED lights at the Gqeberha warehouse facilities through an operational expense budget.

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in buildings | Lighting |

**Estimated annual CO2e savings (metric tonnes CO2e)**
22

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
62073

**Investment required (unit currency – as specified in C0.4)**
97929

**Payback period**
1-3 years

**Estimated lifetime of the initiative**
1-2 years

**Comment**
Replacement of conventional lights with LED lights at the Beta site in Kenya. The projects reported in this section constitute 510 tonnes CO2e savings. The balance of 38 tonnes CO2e is from minor projects from our other sites.

## C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

| Method | Comment |
|---|---|
| Dedicated budget for energy efficiency | Investment in emission reduction activities is primarily driven by Aspen's commitment to continual improvement as a responsible corporate citizen, in response to potential future regulatory changes, sustainable access to scarce resources, e.g., water, and the rising cost and security of electricity supply. Energy efficiency is factored into all expansion and replacement projects and project teams are tasked with ensuring that equipment and processes are designed, procured and installed accordingly to consume the least possible amount of natural resources. |
| Employee engagement | Awareness campaigns on energy conservation and carbon footprint reduction are rolled out at all manufacturing sites on internationally recognised days such as World Environment Day and World Water Day. |
| Compliance with regulatory requirements/standards | Energy management regulations in Kenya requires organizations which consume over 180,000 kWh of energy per year to carry out an energy audit and submit an energy investment plan to the Energy, Petroleum Regulatory Authority every three years. The regulation requires an organization to invest and realize at least fifty percent of the committed investments. Anticipated regulations regarding carbon pricing in the Netherlands could result in a notable increase in energy costs which will drive emission reduction initiatives. |

## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

No

# C5. Emissions methodology

## C5.1

**(C5.1) Is this your first year of reporting emissions data to CDP?**

No

## C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

**Row 1**

**Has there been a structural change?**

No

**Name of organization(s) acquired, divested from, or merged with**

<Not Applicable>

**Details of structural change(s), including completion dates**

<Not Applicable>

## C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

| | Change(s) in methodology, boundary, and/or reporting year definition? | Details of methodology, boundary, and/or reporting year definition change(s) |
|---|---|---|
| Row 1 | No | <Not Applicable> |

## C5.2

**(C5.2) Provide your base year and base year emissions.**

**Scope 1**

**Base year start**

July 1 2011

**Base year end**

June 30 2012

**Base year emissions (metric tons CO2e)**

6774

**Comment**

This is the first year that our emission calculation and methodology were externally verified.

**Scope 2 (location-based)**

**Base year start**

July 1 2011

**Base year end**

June 30 2012

**Base year emissions (metric tons CO2e)**

88008

**Comment**

This is the first year that our emission calculation and methodology were externally verified.

**Scope 2 (market-based)**

**Base year start**
July 1 2011

**Base year end**
June 30 2012

**Base year emissions (metric tons CO2e)**
88008

**Comment**
Market based emission values were not available for the base year.

**Scope 3 category 1: Purchased goods and services**

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
176.77

**Comment**
This was our first disclosure on Scope 3 - Category 1 emissions. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

**Scope 3 category 2: Capital goods**

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
Data for this category is currently not collected. We are in the process of investigating the most accurate way to calculate these emissions. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Base year start**
July 1 2018

**Base year end**
June 30 2019

**Base year emissions (metric tons CO2e)**
27377.97

**Comment**
This was our first disclosure on Scope 3 - Category 3 emissions. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

**Scope 3 category 4: Upstream transportation and distribution**

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
Data for this category is currently not collected. We are in the process of investigating the most accurate way to calculate these emissions through engagement with our main transportation suppliers. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

**Scope 3 category 5: Waste generated in operations**

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
2734.02

**Comment**
This was our first disclosure on Scope 3 - Category 5 emissions. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

### Scope 3 category 6: Business travel

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
4963.2

**Comment**
This was our first disclosure on Scope 3 - Category 6 emissions. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

### Scope 3 category 7: Employee commuting

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
Data for this category is currently not collected. We are in the process of investigating the feasibility of calculating these emissions. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

### Scope 3 category 8: Upstream leased assets

**Base year start**
July 1 2018

**Base year end**
June 30 2019

**Base year emissions (metric tons CO2e)**
1990

**Comment**
This was our first disclosure on Scope 3 - Category 8 emissions. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

### Scope 3 category 9: Downstream transportation and distribution

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
Data for this category is currently not collected. We are in the process of investigating the most accurate way to calculate these emissions. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

### Scope 3 category 10: Processing of sold products

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
Data for this category is currently not collected. The complexity and extent of the value chain prohibit accurate calculations. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

### Scope 3 category 11: Use of sold products

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
Data for this category is currently not collected. Gathering reliable data for this category is and will remain a significant challenge. We are not able to accurately determine and quantify impacts from end users. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

### Scope 3 category 12: End of life treatment of sold products

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
Data for this category is currently not collected. We are in the process of investigating the most accurate way to calculate these emissions. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

### Scope 3 category 13: Downstream leased assets

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
Data for this category is currently not collected. Not calculated due to lack of required data. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority after which we will review base year details.

### Scope 3 category 14: Franchises

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
Aspen Pharmacare has no franchises.

### Scope 3 category 15: Investments

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
According to the GHG Protocol, financial investments required for reporting are equity investments, debt investments, and project finance. Other investments or financial services such as pension funds, retirement accounts, securitized products, insurance, credit guarantees, export credit insurance, etc. are not required to be reported. We do not have any of the required financial investments and therefore, no emissions are relevant to this category.

### Scope 3: Other (upstream)

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
None.

### Scope 3: Other (downstream)

**Base year start**
July 1 2010

**Base year end**
June 30 2011

**Base year emissions (metric tons CO2e)**
0

**Comment**
None.

## C5.3

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**
44544

**Start date**
July 1 2020

**End date**
June 30 2021

**Comment**
This data is for our Financial Year 2021 (1 July 2020 to 30 June 2021). Scope 1 emissions for the Group have increased by 3%. The increase is attributed mostly to an increased production output recorded for 2021 for our Sterile facility SVP2 manufacturing facility in Gqeberha.

**Past year 1**

**Gross global Scope 1 emissions (metric tons CO2e)**
43122

**Start date**
July 1 2019

**End date**
June 30 2020

**Comment**
This data is for financial year 2020 (1 July 2019 to 30 June 2020).

### C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**
We are reporting a Scope 2, location-based figure

**Scope 2, market-based**
We are reporting a Scope 2, market-based figure

**Comment**
13 Sites are reporting a location-based figure and our France site uses an electricity supplier emission factor.

### C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**
143813

**Scope 2, market-based (if applicable)**
143126

**Start date**
July 1 2020

**End date**
June 30 2021

**Comment**
13 sites are reporting a location-based figure and our France facility uses an electricity supplier emission factor. The International Energy Agency (IEA) 2020 emission factor for France was used to calculate location-based emissions for the NDB site.

**Past year 1**

**Scope 2, location-based**
154306

**Scope 2, market-based (if applicable)**
154027

**Start date**
July 1 2019

**End date**
June 30 2020

**Comment**
12 Sites are reporting a location-based figure and 2 operations in France and Germany have electricity supplier emission factors. International Energy Agency (IEA) 2019 emission factors were used for France and Germany to calculate location-based emissions.

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**
No

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
377

**Emissions calculation methodology**
Average data method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
96

**Please explain**
We calculate Scope 3 emissions from water supply services. The methodology applied is based on the GHG Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard and we also consulted the GHG Technical Guidance for Calculating Scope 3 Emissions. The emission factor of 0.344 kg CO2e / m3 (UK Department for Business, Energy & Industrial Strategy - 2020) was used to quantify emissions. Water withdrawn at our Vallejo (Mexico) site is based on a calculation since incoming water is shared between users. The Vallejo facility contribute 14 tCO2e (4%) to the Group total of 377 tCO2e for this category. A decrease of 9% was achieved for this category. This is attributable mostly to the decommissioning of cooling towers at our Moleneind (Netherlands) facility, the successful implementation of a closed loop circulation system for chilled water at Shelys (Tanzania) and conservation projects at Notre Dame de Bondeville (France). In addition, water demand at FCC (South Africa) was lower during the 2021 financial year due to reduced operations in certain production centres which resulted in less frequent cleaning activities.

### Capital goods

**Evaluation status**
Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
A materiality / screening assessment of all Scope 3 emissions has been identified as a priority. The outcome of the assessment will enable us to determine Scope 3 categories that are material to Aspen. From there, strategies to source and disclose data for identified Scope 3 emissions will be implemented and maintained.

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
23514

**Emissions calculation methodology**
Average data method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
This category includes emissions from three distinct activities: (1) Upstream emissions of purchased fuels (both stationary and mobile combustion); (2) Upstream emissions from purchased electricity, heat, steam and cooling; (3) Transmission & Distribution (T&D) losses from purchased electricity, heat, steam and cooling. A decrease of 6% was achieved for this category. This is attributable reduced energy usage for the Group during 2021. UK Department for Business, Energy & Industrial Strategy - 2020 upstream emission factors were used for activities listed under this category. Emission factors for electricity use (upstream) and transmission and distribution losses (upstream) are not available for our sites in Kenya, Tanzania and Ghana. We therefore used comparative South African emission factors.

### Upstream transportation and distribution

**Evaluation status**
Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
A materiality / screening assessment of all Scope 3 emissions has been identified as a priority. The outcome of the assessment will enable us to determine Scope 3 categories that are material to Aspen. From there, strategies to source and disclose data for identified Scope 3 emissions will be implemented and maintained.

### Waste generated in operations

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
488

**Emissions calculation methodology**
Waste-type-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
99

**Please explain**
The methodology used is based on the GHG Protocol Corporate Value Chain (Scope 3). This category includes emissions from third party disposal and treatment of waste generated in our operations. Our waste is broken down into hazardous and non-hazardous waste and methods of disposal include reuse/recycle, energy recovery, biological treatment, incineration and landfill. Emissions have been calculated using the appropriate emission factors from the UK Department for Business, Energy & Industrial Strategy - 2020 for waste reused/recycled and landfilled. We also include wastewater treatment under this category. The emissions reported for this reporting period is significantly less than previous disclosures. A conversion error was identified and was corrected for this disclosure.

### Business travel

#### Evaluation status
Relevant, calculated

#### Emissions in reporting year (metric tons CO2e)
28

#### Emissions calculation methodology
Fuel-based method
Distance-based method

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

#### Please explain
Emissions are calculated based on flight leg distance as well car rental data provided by our corporate travel agencies. Business travel flights include all domestic, short-haul, and long haul based on individual flight distance data. Travel specialist – 'Cleaner Climate' provide calculation methodology and emission factors to calculate carbon emissions for flights, car hire and accommodation. Our travel agencies apply said methodology and factors in calculating emissions. Emissions for this reporting period is significantly lower than previous disclosures, attributed to travel restrictions during the COVID-19 pandemic.

### Employee commuting

#### Evaluation status
Relevant, not yet calculated

#### Emissions in reporting year (metric tons CO2e)
<Not Applicable>

#### Emissions calculation methodology
<Not Applicable>

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

#### Please explain
A materiality / screening assessment of all Scope 3 emissions has been identified as a priority. The outcome of the assessment will enable us to determine Scope 3 categories that are material to Aspen. From there, strategies to source and disclose data for identified Scope 3 emissions will be implemented and maintained.

### Upstream leased assets

#### Evaluation status
Relevant, calculated

#### Emissions in reporting year (metric tons CO2e)
1933

#### Emissions calculation methodology
Asset-specific method

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

#### Please explain
Grid electricity usage at material Aspen Commercial facilities were considered for this category. IEA 2020 emission factors were used. A decrease of 22% was achieved for this category. This is attributable working-from-home arrangements during the COVID-19 pandemic.

### Downstream transportation and distribution

#### Evaluation status
Relevant, not yet calculated

#### Emissions in reporting year (metric tons CO2e)
<Not Applicable>

#### Emissions calculation methodology
<Not Applicable>

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

#### Please explain
A materiality / screening assessment of all Scope 3 emissions has been identified as a priority. The outcome of the assessment will enable us to determine Scope 3 categories that are material to Aspen. From there, strategies to source and disclose data for identified Scope 3 emissions will be implemented and maintained.

### Processing of sold products

**Evaluation status**
Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Currently, the complexity and extent of the value chain prohibit accurate calculations. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority. The outcome of the assessment will enable us to determine Scope 3 categories that are material to Aspen. From there, strategies to source and disclose data for identified Scope 3 emissions will be implemented and maintained.

### Use of sold products

**Evaluation status**
Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Gathering reliable data for this category is and will remain a significant challenge. We are not able to accurately determine and quantify impacts from end users. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority. The outcome of the assessment will enable us to determine Scope 3 categories that are material to Aspen. From there, strategies to source and disclose data for identified Scope 3 emissions will be implemented and maintained.

### End of life treatment of sold products

**Evaluation status**
Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
A materiality / screening assessment of all Scope 3 emissions has been identified as a priority. The outcome of the assessment will enable us to determine Scope 3 categories that are material to Aspen. From there, strategies to source and disclose data for identified Scope 3 emissions will be implemented and maintained.

### Downstream leased assets

**Evaluation status**
Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Not calculated due to lack of required data. A materiality / screening assessment of all Scope 3 emissions has been identified as a priority. The outcome of the assessment will enable us to determine Scope 3 categories that are material to Aspen. From there, strategies to source and disclose data for identified Scope 3 emissions will be implemented and maintained.

### Franchises

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Aspen Pharmacare has no franchises.

**Investments**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
According to the GHG Protocol, financial investments required for reporting are equity investments, debt investments, and project finance. Other investments or financial services such as pension funds, retirement accounts, securitized products, insurance, credit guarantees, export credit insurance, etc. are not required to be reported. We do not have any of the required financial investments and therefore, no emissions are relevant to this category.

**Other (upstream)**

**Evaluation status**
Not evaluated

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Not applicable.

**Other (downstream)**

**Evaluation status**
Not evaluated

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Not applicable.

## C6.5a

**(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.**

**Past year 1**

**Start date**
July 1 2019

**End date**
June 30 2020

**Scope 3: Purchased goods and services (metric tons CO2e)**
414

**Scope 3: Capital goods (metric tons CO2e)**
0

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**
24953

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**
0

**Scope 3: Waste generated in operations (metric tons CO2e)**
25406

**Scope 3: Business travel (metric tons CO2e)**
5009

**Scope 3: Employee commuting (metric tons CO2e)**
0

**Scope 3: Upstream leased assets (metric tons CO2e)**
2472

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**
0

**Scope 3: Processing of sold products (metric tons CO2e)**
0

**Scope 3: Use of sold products (metric tons CO2e)**
0

**Scope 3: End of life treatment of sold products (metric tons CO2e)**
0

**Scope 3: Downstream leased assets (metric tons CO2e)**
0

**Scope 3: Franchises (metric tons CO2e)**
0

**Scope 3: Investments (metric tons CO2e)**
0

**Scope 3: Other (upstream) (metric tons CO2e)**
0

**Scope 3: Other (downstream) (metric tons CO2e)**
0

**Comment**
Total reported Scope 3 emissions for Past year 1 (FY20) were 58,254 tCO2e.

## C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**
No

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**
0.00000497

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**
187670

**Metric denominator**
unit total revenue

**Metric denominator: Unit total**
37765714748.45

**Scope 2 figure used**
Market-based

**% change from previous year**
2.57

**Direction of change**
Decreased

**Reason for change**
Production output (and consequently revenue) as an intensity measure is not considered as an accurate indicator to measure environmental efficiencies in the pharmaceutical industry. Product mix (solids, liquids, powders, gels etc.) has a varied impact on energy use, waste, water and other environmental aspects. Over the past five years we did however achieve a decrease of 10% (21,002 tCO2e) in our combined Scope 1 and 2 emissions. Improvement projects at, most notably, our site in Gqeberha enabled lower energy consumption and a decrease in related Scope 2 emissions during 2021.

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**Intensity figure**
31.568

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**
187670

**Metric denominator**
full time equivalent (FTE) employee

**Metric denominator: Unit total**
5945

**Scope 2 figure used**
Market-based

**% change from previous year**
9.64

**Direction of change**
Decreased

**Reason for change**
Over the past five years we achieved a decrease of 10% (21,002 tCO2e) in our combined Scope 1 and 2 emissions. Improvement projects at, most notably, our site in Gqeberha enabled lower energy consumption and a decrease in related Scope 2 emissions during 2021.

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## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**
No

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|---|---|
| South Africa | 12280 |
| Germany | 5800 |
| Australia | 2187 |
| Netherlands | 16579 |
| Brazil | 475 |
| Kenya | 476 |
| Ghana | 46 |
| United Republic of Tanzania | 1251 |
| France | 3166 |
| United States of America | 815 |
| Mexico | 704 |
| India | 765 |

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By facility
By activity

## C7.3b

**(C7.3b) Break down your total gross global Scope 1 emissions by business facility.**

| Facility | Scope 1 emissions (metric tons CO2e) | Latitude | Longitude |
|---|---|---|---|
| Gqeberha (South Africa) | 7189 | -33.9167 | 25.5667 |
| East London (South Africa) | 3152 | -32.981 | 27.8282 |
| Cape Town (South Africa) | 1939 | -33.9157 | 18.577 |
| Bad Oldesloe (Germany) | 5800 | 53.8009 | 10.3983 |
| Dandenong (Australia) | 2187 | -37.981 | 145.215 |
| Oss (Netherlands) | 16579 | 51.6225 | 5.1 |
| Vitoria (Brazil) | 475 | -20.3222 | -40.3381 |
| Beta (Kenya) | 476 | -1.2833 | 36.8167 |
| Shelys (Tanzania) | 1251 | -6.8235 | 39.2695 |
| Kama (Ghana) | 46 | 5.556 | -0.1969 |
| Notre Dame de Bondeville (France) | 3166 | 49.4431 | 1.0993 |
| Sioux City (United States of America) | 815 | 43.5499 | -96.7003 |
| Vallejo (Mexico) | 704 | 19.5018 | -99.1674 |
| Alphamed (India) | 765 | 17.51465 | 78.5859 |

## C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

| Activity | Scope 1 emissions (metric tons CO2e) |
|---|---|
| Mobile Fuel Combustion: Diesel | 236 |
| Mobile Fuel Combustion: Gasoline | 194 |
| Stationery Fuel Combustion: Diesel | 998 |
| Stationery Fuel Combustion: Heavy Fuel Oil | 9652 |
| Stationery Fuel Combustion: Natural Gas | 28558 |
| Fugitive Emissions: Refrigerants | 4863 |
| Liquid Petroleum Gas | 33 |
| Wood Chips | 10 |

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|---|---|---|
| South Africa | 106605 | 106605 |
| Germany | 2430 | 2430 |
| Australia | 13440 | 13440 |
| Netherlands | 15060 | 15060 |
| Brazil | 240 | 240 |
| Kenya | 171 | 171 |
| Ghana | 61 | 61 |
| United Republic of Tanzania | 1151 | 1151 |
| France | 846 | 159 |
| United States of America | 372 | 372 |
| Mexico | 152 | 152 |
| India | 3285 | 3285 |

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By facility
By activity

## C7.6b

**(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

| Facility | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|---|---|---|
| Gqeberha (South Africa) | 79813 | 79813 |
| East London (South Africa) | 17602 | 17602 |
| Cape Town (South Africa) | 9190 | 9190 |
| Bad Oldesloe (Germany) | 2430 | 2430 |
| Dandenong (Australia) | 13440 | 13440 |
| Oss (Netherlands) | 15060 | 15060 |
| Vitória (Brazil) | 240 | 240 |
| Beta (Kenya) | 171 | 171 |
| Shelys (Tanzania) | 1151 | 1151 |
| Notre Dame de Bondeville (France) | 846 | 159 |
| Sioux City (United States of America) | 372 | 372 |
| Vallejo (Mexico) | 152 | 152 |
| Kama (Ghana) | 61 | 61 |
| Alphamed (India) | 3285 | 3285 |

## C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

| Activity | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|---|---|---|
| Electricity | 141963 | 141276 |
| Steam | 1850 | 1850 |

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|---|---|---|---|
| Change in renewable energy consumption | 1552 | Decreased | 0.77 | We consumed 4889 MWh more energy from renewable sources during 2021. Applicable emission factors for 2020 and 2021 were used to calculate emissions if renewable energy was not used. A variance of 1552 tCO2e accounted for 0.77% of the total emissions reported in the previous year. |
| Other emissions reduction activities | 6212 | Decreased | 3.15 | The Group's annual electricity usage for 2021 has decreased by 3% (18 541 gigajoules) in comparison to the prior year. This reduction in energy usage and related emissions was attributed mainly to energy conservation projects realised at the Gqeberha manufacturing sites in South Africa. A variance of 6212 tCO2e accounted for 3.15% of the total emissions reported in the previous year. |
| Divestment | 0 | No change | 0 | Not Applicable |
| Acquisitions | 0 | No change | 0 | Not Applicable |
| Mergers | 0 | No change | 0 | Not Applicable |
| Change in output | 0 | Please select | 0 | Production output (in tonnes) did decrease by 9.27% during FY21, however, product mix (liquids, solids, powder etc.) present challenges to accurately quantify reductions linked to output. |
| Change in methodology | 0 | No change | 0 | Not Applicable |
| Change in boundary | 0 | No change | 0 | Not Applicable |
| Change in physical operating conditions | 0 | No change | 0 | Not Applicable |
| Unidentified | 0 | No change | 0 | Not Applicable |
| Other | 0 | No change | 0 | Not Applicable |

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

# C8. Energy

## C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 5% but less than or equal to 10%

## C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

| | Indicate whether your organization undertook this energy-related activity in the reporting year |
|---|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | Yes |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | Yes |

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|---|---|---|---|---|
| Consumption of fuel (excluding feedstock) | Unable to confirm heating value | 0 | 144338 | 144338 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 18450 | 159738 | 178188 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | 0 | 9056 | 9056 |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 0 | <Not Applicable> | 0 |
| Total energy consumption | <Not Applicable> | 18450 | 313132 | 331528 |

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | No |
| Consumption of fuel for the generation of heat | No |
| Consumption of fuel for the generation of steam | Yes |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | Yes |

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Sustainable biomass**

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
0

**MWh fuel consumed for self-generation of electricity**
<Not Applicable>

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
0

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
Aspen does not use other renewable fuels in its operations.

**Other biomass**

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
0

**MWh fuel consumed for self-generation of electricity**
<Not Applicable>

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
0

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
Aspen does not use other renewable fuels in its operations.

**Other renewable fuels (e.g. renewable hydrogen)**

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
0

**MWh fuel consumed for self-generation of electricity**
<Not Applicable>

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
0

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
Aspen does not use other renewable fuels in its operations.

**Coal**

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
0

**MWh fuel consumed for self-generation of electricity**
<Not Applicable>

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
0

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
Aspen does not use other renewable fuels in its operations.

**Oil**

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
33543

**MWh fuel consumed for self-generation of electricity**
<Not Applicable>

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
33543

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
HFO is used for steam generation at four (4) of our manufacturing sites.

**Gas**

**Heating value**
LHV

**Total fuel MWh consumed by the organization**
105362

**MWh fuel consumed for self-generation of electricity**
<Not Applicable>

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
105085

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
13554

**Comment**
We include Natural Gas and Liquid Petroleum Gas (LPG) under this fuel category. Natural gas (105,085 MWh) is used for steam generation and LPG (276 MWh) is used to fuel forklift trucks. Natural gas is used for generation of steam at seven (50%) of the Aspen sites. A portion of natural gas consumed at our ABO (Germany) site is used for a combined heat and power unit.

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
5433

**MWh fuel consumed for self-generation of electricity**
<Not Applicable>

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
3775

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
Consumption under this fuel category includes mobile diesel sources (cars and trucks), mobile petroleum / gasoline sources (cars) and stationary diesel sources consumption (boilers and standby generators). Diesel for steam generation accounts for close to 70% of the total MWh for this category.

**Total fuel**

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
144338

**MWh fuel consumed for self-generation of electricity**
<Not Applicable>

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
142403

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
13554

**Comment**
A significant portion of fuel consumption (99%) is used for self-generation of steam. The balance is used to fuel vehicles and industrial trucks.

## C8.2d

**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

| | Total Gross generation (MWh) | Generation that is consumed by the organization (MWh) | Gross generation from renewable sources (MWh) | Generation from renewable sources that is consumed by the organization (MWh) |
|---|---|---|---|---|
| Electricity | 178188 | 178188 | 18450 | 18450 |
| Heat | 0 | 0 | 0 | 0 |
| Steam | 142403 | 108015 | 0 | 0 |
| Cooling | 0 | 0 | 0 | 0 |

## C8.2e

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.**

**Sourcing method**
Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**
Electricity

**Low-carbon technology type**
Low-carbon energy mix, please specify (The France site has chosen to contribute to the development of renewable energies by subscribing to a certified electricity contract of renewable origin. Electricity produced from renewable energy sources is supplied by EDF - France.)

**Country/area of low-carbon energy consumption**
France

**Tracking instrument used**
Contract

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**
3812

**Country/area of origin (generation) of the low-carbon energy or energy attribute**
France

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**
1990

**Comment**
EDF Renewables is a wholly owned subsidiary of the French utility EDF Group, specializing in renewable energy production. As an integrated operator, the Group develops and finances the construction of renewable energy facilities and manages operations and maintenance for its own account and for third parties. Founded in September 1990. EDF issues energy certificates to our NDB facility on a quarterly basis.

**Sourcing method**
Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates

**Energy carrier**
Electricity

**Low-carbon technology type**
Large hydropower (>25 MW)

**Country/area of low-carbon energy consumption**
Netherlands

**Tracking instrument used**
Contract

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**
14638

**Country/area of origin (generation) of the low-carbon energy or energy attribute**
Netherlands

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**
2008

**Comment**
ENDESA's commercial base in the Netherlands is in Amsterdam. In 2007, ENDESA established itself as one of the leading European suppliers of large customers. In 2008 ENDESA added offices in Amsterdam to its existing offices, increasing its capacity to provide global supply services to customers in Europe. ENDESA issues an energy certificate to our Oss facility on an annual basis.

## C8.2g

**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

**Country/area**
France

**Consumption of electricity (MWh)**
3812

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
3812

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Netherlands

**Consumption of electricity (MWh)**
14638

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
14638

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

## C9. Additional metrics

### C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**
Waste

**Metric value**
64158.82

**Metric numerator**
Measured in Tonnes

**Metric denominator (intensity metric only)**
Not measured currently

**% change from previous year**
1

**Direction of change**
Decreased

**Please explain**
A slight reduction of 1% in total waste generated was achieved in 2021. The continuous promotion of waste reduction, waste recycling as well as initiatives to significantly reduce waste disposed to landfill are ongoing for the entire Group.

---

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| | Verification/assurance status |
|---|---|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | No third-party verification or assurance |

### C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Moderate assurance

**Attach the statement**
Aspen SD Assurance Statement 2021.pdf

**Page/ section reference**
Page 1 - Assurance Standard Applied and Assurance Scope.

**Relevant standard**
AA1000AS

**Proportion of reported emissions verified (%)**
100

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

**Scope 2 approach**
Scope 2 market-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Moderate assurance

**Attach the statement**
Aspen SD Assurance Statement 2021.pdf

**Page/ section reference**
Page 1 - Assurance Standard Applied and Assurance Scope.

**Relevant standard**
AA1000AS

**Proportion of reported emissions verified (%)**
100

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**
Yes

## C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

| Disclosure module verification relates to | Data verified | Verification standard | Please explain |
|---|---|---|---|
| C6. Emissions data | Change in Scope 3 emissions against a base year (not target related) | AA1000AS | The total volume of water withdrawn, hazardous waste generated, and total volume of waste recycled are all key sustainability KPIs which are included in the external assurance process. The verified water and waste data is used to calculate our Scope 3 emissions under the "purchased goods and services" and "waste generated in operations" categories respectively.<br>Aspen SD Assurance Statement 2021.pdf |

Aspen SD Assurance Statement 2021.pdf

## C11. Carbon pricing

## C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

## C11.1a

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

EU ETS

South Africa carbon tax

## C11.1b

**(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.**

**EU ETS**

**% of Scope 1 emissions covered by the ETS**

23

**% of Scope 2 emissions covered by the ETS**

0

**Period start date**

January 1 2020

**Period end date**

December 31 2020

**Allowances allocated**

7231

**Allowances purchased**

0

**Verified Scope 1 emissions in metric tons CO2e**

8050

**Verified Scope 2 emissions in metric tons CO2e**

0

**Details of ownership**

Facilities we own and operate

**Comment**

The percentage of emissions covered by ETS relates to 61% of Scope 1 emissions for the Moleneind, Oss site in the Netherlands, which represents 23% of the Group's Scope 1 emissions. The Moleneind Oss site produces steam for its own consumption and for a third party located on the premises.

## C11.1c

**(C11.1c) Complete the following table for each of the tax systems you are regulated by.**

**South Africa carbon tax**

**Period start date**

January 1 2021

**Period end date**

June 30 2021

**% of total Scope 1 emissions covered by tax**

17

**Total cost of tax paid**

0

**Comment**

The 2021 carbon tax for the SA operations is still due for payment due to a delay in the registration process resulting from the demerging of the commercial (SA Commercial) and operational/manufacturing (SA Operations) businesses. We are currently in consultation with the Authority to advise on registration requirements with reference to the changes in business entities in order to submit returns

## C11.1d

**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

Aspen consults with the relevant tax specialists to ensure that the business is continually informed on any changes in tariffs which would provide further motivation to drive the implementation of new technology or improved efficiencies to reduce carbon emissions. The Aspen Group SHE function works closely with our Group Tax function to consolidate and approve fuel data and the related Scope 1 emissions to ensure that correct values are included in the tax formula. We aim to budget accordingly to comply with the tax regulations imposed for South Africa.

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**
No

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**
No, and we do not currently anticipate doing so in the next two years

# C12. Engagement

## C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**
Yes, our suppliers

## C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**
Information collection (understanding supplier behavior)

**Details of engagement**
Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**
0

**% total procurement spend (direct and indirect)**
0

**% of supplier-related Scope 3 emissions as reported in C6.5**
2

**Rationale for the coverage of your engagement**
Aspen has prioritized engagement with key service suppliers who are able to supply the required level of data and where the frequency or volume of transactions is significant especially for Scope 3 emissions.

**Impact of engagement, including measures of success**
Aspen has been successful in obtaining statistics relating to business travel i.e., flights and car rentals for our South African facilities. We also engage with our waste and water treatment services at our manufacturing sites and obtain monthly reports. In these cases, the data is supplied by the service provider to Aspen in the form of reports. The total Scope 3 emissions for business travel, waste and waste water was calculated 516 tonnes CO2e. This total equates to ~2% of our total reported Scope 3 emissions (26 340 tonnes CO2e). In some cases, e.g., downstream transport and distribution, the service providers have not been able to isolate emissions generated due to Aspen products specifically.

**Comment**
Aspen will continue to engage with suppliers during Life Cycle Assessment processes required for ISO 14001:2015.

## C12.2

**(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**
Yes, climate-related requirements are included in our supplier contracts

## C12.2a

**(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.**

**Climate-related requirement**
Complying with regulatory requirements

**Description of this climate related requirement**
We work with a large number of suppliers, who provide goods and services that support us in delivering a reliable supply of high quality, safe products for our patients and consumers. We acknowledge that we have a responsibility to ensure that we work with suppliers and partners whose ethical, social and environmental standards are aligned to our own. Our service providers and suppliers are required to adhere to the Aspen Code of Conduct for Suppliers and Service Providers. Suppliers agree that they are responsible for conducting its business in compliance with applicable environmental laws and regulations when performing its obligation for Aspen. Supplies are furthermore required to conduct its business in an environmentally conscious manner and insofar as is feasible, utilize renewable energy resources.

**% suppliers by procurement spend that have to comply with this climate-related requirement**
100

**% suppliers by procurement spend in compliance with this climate-related requirement**
0

**Mechanisms for monitoring compliance with this climate-related requirement**
Grievance mechanism/Whistleblowing hotline

**Response to supplier non-compliance with this climate-related requirement**
Other, please specify (We are in the process of developing procedures to manage any breach of our Supplier Code of Conduct which may have negative environmental impacts, before resorting to supplier disqualification and termination. See Pg. 80 of 2021 Integrated Report.)
Aspen Integrated Report 2021.pdf

## C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**
Yes, we engage indirectly through trade associations

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**
No, but we plan to have one in the next two years

**Attach commitment or position statement(s)**
<Not Applicable>

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**
Aspen's direct and indirect business activities and stakeholder engagement processes are aligned to the Group's strategic objectives. This alignment is monitored by Group Executives through the Social & Ethics Committee and the Aspen Board. The Group Risk and Sustainability Department, as mandated by the Social & Ethics Committee and under the direction of Group Chief Operations Officer and Responsible Pharmacist, develops and promotes Aspen's environmental management principles and standards. The Group Ethics & Compliance Department monitors the alignment of business unit environmental management systems to the Group standards to ensure consistency across the operations. A draft Climate Change Position and Group Target was summited to Executive Management for review and endorsement. During 2022 formal structures for internal engagement with, and amongst, all manufacturing sites were developed in the form of Centres of Excellence that would drive Aspen's climate change ambitions. Centres of Excellence will be mandated to set and track measurable and ambitious targets for various sustainability topics including climate change. These targets will be aligned with and support the UN sustainable development goals. Facilities continue to engage with regional stakeholders and policy makers. Examples of these include our Moleneind (Netherlands) site that engages with the EU emissions trading system (EU ETS), our Dandenong (Australia) site that is member of the Australian Environment Business Network (AEBN) and ongoing consultation with external tax advisors regarding carbon tax in South Africa. A combined assurance audit plan is in place to monitor on-going alignment of environmental policies, procedures and systems related to legal, voluntary and corporate requirements. Identified risks are prioritised and addressed. Progress is monitored by the Group Risk and Sustainability Department, site management teams, Group Executives and the Social & Ethics Committee. In addition, all direct and indirect activities are communicated as per the ISO 14001 Environmental Management Systems Communication procedure for ISO certified facilities, ensuring consistency with the overall group environmental management principles and sustainability reporting structures. A culture of continual improvement exists across the Aspen Group.

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**
<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**
<Not Applicable>

## C12.3b

**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**
Other, please specify (Business Unity South Africa (BUSA))

**Is your organization's position on climate change consistent with theirs?**
Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**
We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**
Business Unity in South Africa (BUSA) serves as the interface between businesses in South Africa and government on high level macroeconomic issues to ensure that businesses are able to play a meaningful role in contributing to national objectives in a feasible manner for all stakeholders. BUSA supports the need to move to a lower carbon intensive economy, which is in the long term interest of South Africa. BUSA's guiding principle is a stable, cost-effective energy supply which is necessary for sustainable business operations in South Africa. As the representative of business, BUSA engages proactively and substantively with government on energy pricing and policy matters, as well as on Eskom's functioning as the generator, transmitter and supplier of the bulk of South Africa's electricity. Aspen is an active member of BUSA and participates in industry initiatives to address climate change objectives in South Africa. To date, we have agreed with the approach taken by BUSA regarding climate related legislation and its implications on business (including Aspen) in South Africa.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**
0

**Describe the aim of your organization's funding**
<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**
No, we have not evaluated

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**Trade association**
Other, please specify (National Business Initiative (South Africa))

**Is your organization's position on climate change consistent with theirs?**
Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**
We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**
Climate Change is an important issue for South African companies. Not only is South Africa seen as a leading country within international negotiations (and therefore expected to set a strong domestic implementation example) but it is also a country extremely vulnerable to impacts brought about by climate change. South Africa is likely to experience significant increases in temperatures as well as increased variability in rainfall and an increased vulnerability to extreme weather events. These changes will have diverse impacts on business and society – presenting both risk and opportunity. In addition to mitigating their emissions, business must therefore understand the degree to which they will be required to adapt and determine the time available for developing response measures. The NBI Environment and Society team aim to revive the emphasis on environment as a strategic priority for business. Working through business strategy, risk management and governance frameworks they identify and explore the link between the environment, society and economics. Their members recognise that a joint business response to environmental risk is critical to the health of people and economy. Their ultimate goal is multiple-stakeholders working together on strategic projects that support an economic transition and social transformation. They provide research, capacity building, networking and facilitation support to members in the areas of climate change, energy, water and the green economy as well as, to a lesser extent, waste and bio-diversity.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**
0

**Describe the aim of your organization's funding**
<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**
No, we have not evaluated

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## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**
In mainstream reports

**Status**
Complete

**Attach the document**
Aspen Integrated Report 2021.pdf

**Page/Section reference**
Page 84

**Content elements**
Governance
Strategy
Risks & opportunities
Emissions figures

**Comment**
The Aspen Integrated Report can be found at https://www.aspenpharma.com/investor-information. Key reporting topics include: We recognise the potential environmental, social, political and economic implications of climate change as a significant issue. We have taken a strategic decision to implement bolder initiatives towards climate change. This process will commence with developing a Group position statement on climate change, highlighting our intention, commitments and support of the SDGs. Over the past five years, a decrease of 10% (21 002 tCO2e) in combined Scope 1 and 2 emissions for the Group was realised. The operations in South Africa contribute 63% of our carbon footprint, followed by the Oss site (17%). Although the divestment of the Nutritionals business at the end of 2019 resulted in a significant reduction in emissions for the Group, lower energy consumption from the closure of several plants at Oss, including a solvent recovery unit, contributed largely to the reduction in Scope 1 and Scope 2 emissions. A notable reduction in Scope 2 emissions was also achieved through equipment optimisation at Oss which included upgrading of the boiler house, installation of variable frequency drive refrigeration compressors and LED lighting, and the replacement of a demineralised water installation. Despite the increase in energy required for expansion at the Gqeberha facility over the past few years, several installations relating to solar energy, LED lighting, hot water heat pumps, chiller plants, as well as modifications to heating, ventilation and air conditioning ("HVAC") and air change rates, were successfully implemented or optimised. We acknowledge the increasing expectations for greater transparency in reporting around the impacts, risks and opportunities of climate change. We are progressively reviewing and aligning our management and reporting approach with the recommendations of the Financial Stability Board's TCFD.

**Publication**
In mainstream reports, incorporating the TCFD recommendations

**Status**
Complete

**Attach the document**
Aspen ESG Data Supplement 2021.pdf

**Page/Section reference**
Pages 16 - 20 and 34 - 35

**Content elements**
Governance
Strategy
Risks & opportunities
Emissions figures

**Comment**
The Aspen Sustainability Supplement reports can be found at https://www.aspenpharma.com/supplementary-sustainability-documents. Details regarding our CDP status, emissions, energy consumption and fines are disclosed. During 2021 Aspen committed to support management recommendations on the TCFD. For our first disclosure we outlined our governance framework, climate strategy and risk management approach. We aim to include an ambitious target for climate action, goals, metrics and related performance criteria in future disclosures. The TCFD disclosure builds on our CDP-CC disclosures and by incorporating TCFD recommendations in our reporting obligations we will continue to disclose climate-related topics and performance to all stakeholders.

## C15. Biodiversity

### C15.1

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

| | Board-level oversight and/or executive management-level responsibility for biodiversity-related issues | Description of oversight and objectives relating to biodiversity | Scope of board-level oversight |
|---|---|---|---|
| Row 1 | No, but we plan to have both within the next two years | <Not Applicable> | <Not Applicable> |

### C15.2

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

| | Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity | Biodiversity-related public commitments | Initiatives endorsed |
|---|---|---|---|
| Row 1 | No, but we plan to do so within the next 2 years | <Not Applicable> | <Not Applicable> |

## C15.3

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

| | Does your organization assess the impact of its value chain on biodiversity? | Portfolio |
|---|---|---|
| Row 1 | No, and we do not plan to assess biodiversity-related impacts within the next two years | <Not Applicable> |

## C15.4

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

| | Have you taken any actions in the reporting period to progress your biodiversity-related commitments? | Type of action taken to progress biodiversity- related commitments |
|---|---|---|
| Row 1 | No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years | <Not Applicable> |

## C15.5

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

| | Does your organization use indicators to monitor biodiversity performance? | Indicators used to monitor biodiversity performance |
|---|---|---|
| Row 1 | No | Other, please specify (None) |

## C15.6

**(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

| Report type | Content elements | Attach the document and indicate where in the document the relevant biodiversity information is located |
|---|---|---|
| In mainstream financial reports | Impacts on biodiversity<br>Risks and opportunities | As at year-end (FY21), none of the Group's business units were located in conservation areas or areas of high biodiversity. Refer to page 85 of the Aspen Integrated Report 2021.<br>Aspen Integrated Report 2021.pdf |

# C16. Signoff

## C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

None

## C16.1

**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

| | Job title | Corresponding job category |
|---|---|---|
| Row 1 | Group Chief Operations Officer | Chief Operating Officer (COO) |

# SC. Supply chain module

## SC0.0

**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

Aspen is a pharmaceutical company listed on the Johannesburg Stock Exchange Limited (“JSE”). Aspen employs approximately 9 100 employees and its heritage dates back more than 160 years in South Africa. Aspen supplies a broad range of post-patent, branded medicines and domestic brands spanning many therapeutic areas to more than 150 countries worldwide. The Aspen brand has become synonymous with high quality and affordable products. Aspen recognises that climate change has potential direct and indirect implications on its operations and is therefore relevant to Aspen’s sustainability objectives. As at 30 June 2021, the Group had 23 manufacturing facilities across 14 sites. The manufacturing sites contribute to the bulk of Aspen’s carbon emissions and as such environmental reporting is focused at a manufacturing site level. The main contributors to Aspen’s Scope 1 emissions are natural gas, refrigerants and fuel consumption while Scope 2 emissions are comprised of purchased electricity and steam.

## SC0.1

**(SC0.1) What is your company’s annual revenue for the stated reporting period?**

| | Annual Revenue |
|---|---|
| Row 1 | 37765714748.45 |

## SC1.1

**(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.**

**Requesting member**
Wal Mart de Mexico

**Scope of emissions**
Scope 2

**Allocation level**
Facility

**Allocation level detail**
Allocation based on Aspen Vallejo site in Mexico

**Emissions in metric tonnes of CO2e**
1.5

**Uncertainty (±%)**
10

**Major sources of emissions**
The emissions are from purchased electricity and steam used for production lines, maintain heating, ventilation and air conditioning (HVAC) systems and lighting and energy in offices.

**Verified**
No

**Allocation method**
Other, please specify (Allocation is based on percentage cost of sales)

**Market value or quantity of goods/services supplied to the requesting member**
15965898

**Unit for market value or quantity of goods/services supplied**
Other, please specify (Sales)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Scope 2 emissions at the manufacturing facility were considered for the allocation of Wal Mart Mexico's Scope 3 emissions. Corporate offices and commercial operations were not considered in the calculation. Internal verification of Scope 2 emissions is performed and revenue is audited. There is, however, an element of uncertainty with respect to the allocation as there is currently no scientific process in place to allocate emissions to customers. It should be noted that total sales for Walmart over the reporting period decreased compared to the previous period resulting in a reduced emission allocation.

## SC1.2

**(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).**

Aspen's primary data, as per verified internal reporting mechanisms, was utilized to calculate the response provided in SC1.1 above.

## SC1.3

**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

| Allocation challenges | Please explain what would help you overcome these challenges |
|---|---|
| Customer base is too large and diverse to accurately track emissions to the customer level | A scientific process would need to be devised so that the emissions could be allocated to different customers. In addition, the financial and reporting systems would need to be adjusted to allow for the collection and recording of the data. |

## SC1.4

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

No

## SC1.4b

**(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.**

Aspen is willing to investigate ways in which to be able to provide this data in the long term in collaboration with our customers. Currently, the focus is on developing a broader base with respect to Scope 3 emissions and establishing recording and reporting mechanisms for Aspen's supply chain sustainability data.

## SC2.1

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

## SC2.2

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

No

## SC4.1

**(SC4.1) Are you providing product level data for your organization's goods or services?**

No, I am not providing data

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---|---|---|
| Please select your submission options | Yes | Public |

**Please confirm below**

I have read and accept the applicable Terms